

IMPORTANT NOTICE

THIS DRAFT OF THE PRELIMINARY PROSPECTUS IS BEING DISPLAYED ON THIS WEBSITE TO MAKE THE DRAFT PRELIMINARY PROSPECTUS ACCESSIBLE TO INVESTORS IN THE PHILIPPINES AND IS TO BE VIEWED EXCLUSIVELY WITHIN THE PHILIPPINES.

THE PHILIPPINE STOCK EXCHANGE, INC. (THE “PSE”) ASSUMES NO RESPONSIBILITY FOR THE CORRECTNESS OF STATEMENTS MADE, OR THE OPINIONS OR REPORTS EXPRESSED IN THIS DRAFT PRELIMINARY PROSPECTUS. THE PSE MAKES NO REPRESENTATION AS TO THE COMPLETENESS OF THE DRAFT PRELIMINARY PROSPECTUS AND DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM OR IN RELIANCE, IN FULL OR IN PART, OF THE CONTENTS OF THE DRAFT PRELIMINARY PROSPECTUS.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THEM BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT IS RENDERED EFFECTIVE. THIS COMMUNICATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION TO BUY. FURTHER, THE TIMETABLE OF OFFERING ACTIVITIES UNDER THIS DRAFT PRELIMINARY PROSPECTUS IS STILL SUBJECT TO REGULATORY APPROVALS.

The offering information on this website is intended to be available only to Philippine and non-Philippine citizens residing in the Philippines or corporations or juridical entities organized and existing under Philippine law, and is not intended for distribution outside the Philippines and is not intended for distribution in the United States. The information contained in this website may not be published or distributed, directly or indirectly, in the United States and this information does not constitute an offer of shares for sale in the United States. The shares described in this website or the documents or information available on this website have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold, directly or indirectly, into the United States unless the shares are so registered or an exemption from the U.S. registration requirements is available. There will be no public offer of the shares mentioned herein in the United States.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

This Draft Preliminary Prospectus is being made available in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither Hann Holdings, Inc. nor any of Hann Holdings, Inc.’s affiliates and advisors accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version.

You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

This Draft Preliminary Prospectus and the information contained herein are subject to completion or amendment without notice. The Offer Shares may not be sold nor may an offer to buy be accepted prior to the time that the Draft Preliminary Prospectus is issued in final form. Under no circumstances shall this Draft Preliminary Prospectus constitute an offer to sell or the solicitation of an offer to buy any Offer Shares nor shall there be any offer, solicitation or sale of the Offer Shares in any jurisdiction where such offer or sale is not permitted.



HANN HOLDINGS, INC.

(incorporated in the Republic of the Philippines)

Primary Offer of up to [500,001,000] Common Shares
with an Overallotment Option of up to [50,001,000] Secondary Common Shares

Offer Price: Up to ₱[23.60] per share

to be listed and traded on the Main Board of
The Philippine Stock Exchange, Inc.

Investing in the Offer Shares involves risks. See “Risk Factors” beginning on page 27.

The offering of the Common Shares has not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and are being offered and sold to persons outside the United States in reliance on Regulation S under the U.S. Securities Act.

Sole Global Coordinator and Joint Bookrunner



CLSA LIMITED

Domestic Underwriters and Joint Bookrunners



ASIA UNITED BANK CORPORATION



**BDO CAPITAL & INVESTMENT
CORPORATION**



CHINA BANK CAPITAL CORPORATION



**PNB CAPITAL AND INVESTMENT
CORPORATION**

Selling Agents

TRADING PARTICIPANTS OF THE PHILIPPINE STOCK EXCHANGE, INC.

THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION.

HANN HOLDINGS, INC.

Hann Casino Resort

5399 M.A. Roxas Highway corner C.M. Recto

Clark Freeport Zone

Pampanga 2023, Philippines

Telephone Number: +63 45 306 1000

www.hannholdings.ph

This preliminary Prospectus (the “**Prospectus**”) relates to the offer and sale to the public of up to [500,001,000] primary common shares (the “**Firm Shares**”) with an Overallotment Option (as defined below) of up to [50,001,000] secondary common shares (the “**Option Shares**”) (and together with the Firm Shares and the Option Shares are referred to as, the “**Offer Shares**”), each with a par value of ₱0.10 per common share (the “**Common Shares**”), of Hann Holdings, Inc. (“**HHI**”, the “**Company**” or the “**Issuer**”), a corporation organized and existing under Philippine law. The Offer Shares will comprise up to [500,001,000] unissued Common Shares to be offered and issued by the Company by way of primary offer and up to [50,001,000] secondary Common Shares to be offered by Hann Group Holdings W.L.L. (the “**Selling Shareholder**” or “**HGH**”). The offer of the Offer Shares is referred to herein as the “**Offer**”.

Pursuant to its amended articles of incorporation, as approved by the Board of Directors and the Stockholders on April 5, 2024 and approved by the Philippine Securities and Exchange Commission (the “**Philippine SEC**”) on August 30, 2024, the Company has an authorized capital stock of ₱410,000,000.00 divided into 4,100,000,000 Common Shares with a par value of ₱0.10 per share, of which 2,000,002,000 Common Shares are issued and outstanding as of the date of this Prospectus.

The Firm Shares shall be offered at a price of up to [₱23.60] per Offer Share (the “**Offer Price**”). The determination of the Offer Price is described on page 64 of this Prospectus and was based on a book-building process and discussion between the Company and CLSA Limited as the sole global coordinator and joint bookrunner (the “**Sole Global Coordinator and Joint Bookrunner**”), Asia United Bank Corporation, BDO Capital & Investment Corporation, China Bank Capital Corporation, and PNB Capital and Investment Corporation as domestic underwriters and joint bookrunners (the “**Domestic Underwriters and Joint Bookrunners**”, and together with the Sole Global Coordinator and Joint Bookrunner, the “**Joint Bookrunners**”).

The Offer Shares will be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. (the “**PSE**”) under the trading symbol “**HANN**.”

[Pursuant to the approval of the Philippine SEC dated [●], the Selling Shareholder has appointed [[●]] and its relevant affiliates to act as the stabilizing agent (the “**Stabilizing Agent**”). The Stabilizing Agent has an option exercisable in whole or in part for a period beginning on or after the initial listing of the Offer Shares on the PSE (the “**Listing Date**”) and, if exercised, ending on a date no later than 30 calendar days from and including the Listing Date, to purchase the Option Shares at the Offer Price from the Selling Shareholder, on the same terms and conditions as the Firm Shares as set forth in this Prospectus, solely to cover overallotments, if any (the “**Overallotment Option**”). In connection with the Offer, the Stabilizing Agent or any person acting on its behalf may effect stabilizing transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Any stabilization activities may begin on or after the Listing Date and, if begun, may be ended at any time, but must end no later than 30 calendar days from and including the Listing Date. Any stabilization activities shall be done in compliance with all applicable laws, rules and regulations. The total number of Common Shares which the Stabilizing Agent or any person acting in its behalf may purchase to undertake stabilization activities shall not exceed [10]% of the aggregate number of the Firm Shares. If the Stabilizing Agent commences any stabilization activities (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end. See “*Plan of Distribution*” on page 233 for more information.]

Upon completion of the Offer, and assuming full exercise of the Overallotment Option, a total of [2,500,003,000] Common Shares will be issued and outstanding, with the Firm Shares representing [20.0]% of the Company’s issued and outstanding capital stock and, assuming full exercise of the Overallotment Option, the Offer Shares representing [22.0]% of the Company’s issued and outstanding capital stock.

The Company estimates that the total gross proceeds to be raised from the sale of the Firm Shares will be up to approximately be ₱[11,800.0] million (U.S.\$[205.7] million). The net proceeds from the Firm Shares, after deduction of fees and expenses, is estimated to be approximately ₱[11,406.2] million (U.S.\$[198.8] million). We intend to use the net proceeds from the Firm Shares for capital expenditures to fund our development and expansion plans and general corporate purposes. Assuming full exercise of the Overallotment Option, the gross proceeds for the Selling Shareholder from the sale of the Option Shares is estimated to be up to approximately ₱[12,980.0] million (U.S.\$[226.2] million) and the estimated net proceeds, after deducting fees and expenses payable by the Selling Shareholder, is estimated to be approximately ₱[1,146.5] million (U.S.\$[20.0] million). The Issuer will not receive any portion of the proceeds from the sale of the Option Shares. For a detailed discussion on the use of proceeds, please refer to page 58 on the “*Use of Proceeds*” of this Prospectus.

The Joint Bookrunners will receive an underwriting fee from the Company and the Selling Shareholder equivalent to 2.20% of the gross proceeds from the sale of the Offer Shares. The underwriting fee includes the amounts to be paid to other participating underwriters and selling agents, if any and where applicable, but does not include the commissions and fees to be paid to the trading participants of the PSE (“**PSE Trading Participants**”). For a detailed discussion on the underwriting fees, please refer to the section on “*Plan of Distribution*” on page 233.

Up to [100,000,200] Firm Shares (or [20]% of the Firm Shares) (the “**Trading Participants Offer Shares**”) are being offered in the Philippines through the PSE Trading Participants and up to [50,000,100] (or [10]% of the Firm Shares) (the “**Retail Offer Shares**”) are being offered in the Philippines to local small investors (“**LSI**”) under the Local Small Investors Program (subject to re-allocation as described below) (such shares, together, the “**Trading Participants and Retail Offer Shares**,” and such offer of Trading Participants and Retail Offer Shares, the “**Trading Participants and Retail Offer**”).

At least [350,000,700] Firm Shares, or [70]% of the Firm Shares (the “**Institutional Offer Shares**”), are (subject to re-allocation as described below) being offered for sale (i) outside the United States by the Sole Global Coordinator and Joint Bookrunner in offshore transactions in reliance on Regulation S of the U.S. Securities Act, and (ii) to local qualified buyers as defined under the Securities Regulation Code of the Philippines (Republic Act No. 8799, the “**SRC**”) and other investors in the Philippines, by the Domestic Underwriters and Joint Bookrunners (the “**Institutional Offer**”).

The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to adjustment as agreed between the Company and the Joint Bookrunners. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.

The Joint Bookrunners will underwrite, on a firm commitment basis, the Firm Shares. For a detailed discussion on the distribution of the Firm Shares and the underwriting commitment, please refer to the section on “*Plan of Distribution*” on page 233.

All of the Offer Shares have identical rights and privileges to the Company’s issued and outstanding Common Shares. For a detailed discussion of the rights and features of the Company’s shares of stock, including the Offer Shares, please refer to the section on “*Description of the Common Shares*” on page 214 of this Prospectus. Dividends may be payable primarily in cash. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends is subject to the requirements of applicable laws and regulations, and circumstances which restrict the payment of dividends. The Board of Directors may declare dividends, but any stock dividends must be approved by shareholders holding at least two-thirds of our total outstanding capital stock. For further discussion, please refer to the section on “*Dividends and Dividend Policy*” beginning on page 61 of this Prospectus.

The Company filed a Registration Statement with the Philippine SEC on May 30, 2025 in accordance with the provisions of the SRC for the registration of all its issued and outstanding Common Shares and the Offer Shares. On [●], the Philippine SEC issued a Pre-Effective Letter. Upon compliance with the requirements of the Pre-Effective Letter, we expect the Philippine SEC to issue the Order of Registration of Securities and Certificate of Permit to Offer Securities for Sale.

The listing of the Offer Shares is subject to the approval of the PSE. On May 30, 2025, the Company filed the application for the listing and trading of its issued and outstanding Common Shares and the Offer Shares. On [●], the PSE issued the Notice of Approval subject to compliance with certain conditions. The PSE's approval of the listing is merely permissive and does not constitute a recommendation or endorsement of the Offer by the PSE. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Prospectus. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.

The Offer Shares may be purchased and owned by any person or entity regardless of citizenship or nationality, subject to the nationality limits under Philippine law. The Philippine Constitution and related statutes set forth restrictions on foreign ownership for companies engaged in certain activities. In particular, ownership of private land in the Philippines is subject to nationality restrictions; thus, while we do not own land as of date, we are aware that foreign ownership in our capital stock should be limited to a maximum of 40% of our issued and outstanding capital stock should we decide to acquire land. Additionally, while all forms of gambling are subject to a 40% foreign equity restriction, Hann Philippines, Inc., a subsidiary of the Company, is exempt from such foreign equity restriction by virtue of its agreement with the Philippine Amusement and Gaming Corporation (“PAGCOR”) and its lease with Clark Development Corporation (“CDC”). For further discussion, please refer to the section on “*Regulatory and Environmental Matters*” on page 180 of this Prospectus.

Unless otherwise indicated, all information in this Prospectus is as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstance, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date.

In making an investment decision, investors are advised to carefully consider all the information contained in this Prospectus, including risks associated with an investment in the Offer Shares. These risks include:

- (a) risks relating to us and our businesses;
- (b) risks relating to our expansion plans;
- (c) risks relating to the Philippines;
- (d) risks relating to the Offer and the Offer Shares; and
- (e) risks relating to the presentation of information in this Prospectus.

For a more detailed discussion on the risks in investing, see section on “*Risk Factors*” on page 27 of this Prospectus, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares. The Offer Shares are offered solely on the basis of the information contained and the representations made in the Prospectus.

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION BUT HAS NOT YET BEEN DECLARED EFFECTIVE. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE ACCEPTED OR RECEIVED UNTIL THE REGISTRATION STATEMENT HAS BECOME EFFECTIVE, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO NOTICE OF ITS ACCEPTANCE GIVEN AFTER THE EFFECTIVE DATE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY.

HANN HOLDINGS, INC.

By:

DAE SIK HAN

Chairman, President & Chief Executive Officer

Republic of the Philippines)

City of _____) s.s.

Before me, a notary public in and for the city named above, personally appeared Mr. Dae Sik Han, who was identified by me through competent evidence of identity to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this day of 2025 at _____.

Doc. No. _____;

Page No. _____;

Book No. _____;

Series of 2025.

NOTICE TO INVESTORS

The Offer Shares are offered subject to receipt and acceptance of any order by the Company and subject to the Company's right to reject any order in whole or in part in consultation with the Joint Bookrunners. It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the PDTC on or about [●].

No representation or warranty, express or implied, is made by the Company or the Joint Bookrunners regarding the legality of an investment in the Offer Shares under any legal, investment or similar laws or regulations. No representation or warranty, express or implied, is made by the Joint Bookrunners as to the accuracy or completeness of the information herein and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Joint Bookrunners. The contents of this Prospectus are not investment, legal or tax advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own examination of us and the terms of the Offer, including the merits and risks involved. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited. Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

The contents of this Prospectus are not investment, legal or tax advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Offer Shares. In making any investment decision regarding the Offer Shares, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Offer Shares is prohibited. Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing.

THE OFFER SHARES ARE BEING OFFERED IN THE PHILIPPINES ON THE BASIS OF THIS PROSPECTUS ONLY. ANY DECISION TO PURCHASE THE OFFER SHARES IN THE PHILIPPINES MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized by the Company, the Selling Shareholder or the Joint Bookrunners. This Prospectus does not constitute an offer to sell or the solicitation of an offer to purchase any securities other than the Offer Shares or an offer to sell or the solicitation of an offer to purchase such securities by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus nor any sale of the Offer Shares offered hereby shall, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof.

The information contained in this Prospectus relating to the Company and its operations has been supplied by the Company, unless otherwise stated herein. In accordance with the requirements of applicable laws and regulations in the Philippines for the sale of securities, such as the Offer Shares, each of the Company and the Domestic Underwriters and Joint Bookrunners has exercised due diligence to the effect that, and the Company confirms that to the best of its knowledge and belief, after having taken reasonable care to ensure that such is the case, as of the date of this Prospectus, the information contained in this Prospectus relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. The Company, the Selling Shareholder and the Joint Bookrunners require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Each prospective purchaser of the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or resells the Offer Shares or possesses and distributes this Prospectus and must obtain any consents, approvals or permissions required for the purchase, offer, sale or resale by it of the Offer Shares under the laws, rules and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or resales, and none of the Joint Bookrunners, the Selling Shareholder or the Company shall have any responsibility therefor.

Any stabilization activities shall be done in compliance with all applicable laws, rules and regulations. The total number of Shares which the Stabilizing Agent or any person acting in its behalf may purchase to undertake stabilization activities shall not exceed 10% of the aggregate number of the Firm Shares. If the Stabilizing Agent commences any stabilization activities (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end.

In consultation with the Joint Bookrunners, we reserve the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If the Offer is withdrawn or discontinued, we shall subsequently notify the Philippine SEC and the PSE. The Joint Bookrunners and certain related entities may acquire for their own account a portion of the Offer Shares.

The Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company's or Joint Bookrunners inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Bookrunners, or any other entity/ person to take up any Offer Shares remaining after the Offer Period. The Company reserves the right to withdraw the Offer at any time before the execution of the underwriting agreements, in which event the Company will make the necessary disclosures to the Philippine SEC and PSE.

Each offeree of the Offer Shares, by accepting delivery of this Prospectus, agrees to the foregoing. Each person contemplating an investment in the Offer Shares should make their own investigation and analysis of the creditworthiness of the Company and their own determination of the suitability of any such investment.

BASIS FOR CERTAIN MARKET DATA

Market data and certain industry data used throughout this Prospectus were obtained from market research, publicly available information, industry publications and on our own analysis and knowledge of the markets for our products. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company or the Joint Bookrunners makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. Information in this Prospectus on integrated gaming, online gaming, tourism, and golf market are from independent market research carried out by The Innovation Group ("**The Innovation Group**") commissioned by us, but should not be relied upon in making, or refraining from making, any investment decision.

The operating information used throughout this Prospectus has been calculated by us on the basis of certain assumptions. As a result, this operating information may not be comparable to similar operating information reported by other companies.

See the section entitled "*Industry Overview*" on page 101 of this Prospectus for information relating to the industry in which we operate.

CONVENTIONS USED IN THIS PROSPECTUS

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to "**HHI**", the "**Company**," the "**Group**" the "**Issuer**," "**we**," "**us**" or "**our**" are to Hann Holdings, Inc. or to Hann Holdings, Inc. and its consolidated subsidiary, HPI, as the context requires. References to the "**Selling Shareholder**" are to HGH. References to "**HPI**" are to Hann Philippines, Inc.

All references to the "**BSP**" are references to *Bangko Sentral ng Pilipinas*, the central bank of the Philippines. All references to the "**Government**" are references to the government of the Republic of the Philippines. All references to "**United States**" or "**U.S.**" are to the United States of America. All references to "**Philippine Pesos**" and "**₱**" are to the lawful currency of the Philippines, and all references to "**U.S. dollars**" or "**U.S.\$**" are to the lawful currency of the United States. Certain terms used herein are defined in the "*Glossary*" contained elsewhere in this Prospectus.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding off. References to Appendix 1 are to the Appendix set out in this Prospectus. All references herein to dates and times shall mean Philippine dates and times unless otherwise specified.

EXCHANGE RATE INFORMATION

This Prospectus contains translations of certain Philippine Peso amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Philippine Peso amounts represent such U.S. dollar amounts or could be, or could have been, converted into U.S. dollars at the rates indicated or at all. Unless otherwise indicated, all translations from Philippine Pesos to U.S. dollars have been made at a rate of ₱57.38 = U.S.\$1.00, the BSP Reference Rate quoted in the BSP's Reference Exchange Rate Bulletin on March 31, 2025 (the last date in March 2025 that such rate was published). See “*Exchange Rates*” on page 63 of this Prospectus for further information regarding the rates of exchange between the Philippine Peso and the U.S. dollar.

PRESENTATION OF FINANCIAL INFORMATION

Our financial statements are reported in Philippine Pesos and are prepared based on our accounting policies, which are in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards (“**PFRS Accounting Standards**”) issued by the Financial Reporting Standards Council of the Philippines.

The financial information included in this Prospectus has been derived from our financial statements. Unless otherwise indicated, financial information relating to us in this Prospectus is stated in accordance with PFRS Accounting Standards.

Figures in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same item of information may vary, and figures which are totals may not be an arithmetic aggregate of their components.

Our fiscal year begins on January 1 and ends on December 31 of each year. SyCip Gorres Velayo & Co. (“**SGV**”), a member firm of Ernst & Young Global Limited, has audited our financial statements as of December 31, 2024 and 2023 and for each of the years in the period ended December 31, 2024, 2023 and 2022 and as of March 31, 2025 and for the three months period ended March 31, 2025 and 2024, in accordance with Philippine Standards on Auditing.

For more information, please refer to our audited consolidated financial statements as of December 31, 2024 and 2023 and for each of the years in the period ended December 31, 2024, 2023 and 2022 and as of March 31, 2025 and for the three months period ended March 31, 2025 and 2024 contained elsewhere in this Prospectus.

PRESENTATION OF NON-PFRS ACCOUNTING STANDARDS FINANCIAL MEASURES

This Prospectus includes certain non-PFRS Accounting Standards financial measures, including EBITDA and EBITDA Margin. EBITDA is calculated as the sum of our net income, depreciation and amortization, interest income, foreign exchange gain (loss)-net, other income / expenses, finance changes and benefit from (provision for) income tax. EBITDA Margin is calculated as EBITDA divided by revenue. We believe that the use of EBITDA combined with the required PFRS Accounting Standards presentations, improves the understanding of our operating results among investors. EBITDA measures the key operational results of our operations while EBITDA Margin is a measure of our operating profit shown as a percentage of revenue.

These non-PFRS Accounting Standards financial measures are supplemental measures of our performance that are not required by, or presented in accordance with, and should not be considered as an alternative to net profit, revenues or any other measure of financial performance derived in accordance with PFRS Accounting Standards or as an alternative to cash flows from operations or as a measure of liquidity. Non-PFRS Accounting Standards financial measures have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for, your own analysis of our financial condition or results of operations, as reported under PFRS Accounting Standards. These non-PFRS Accounting Standards financial measures are not standardized terms and other companies may calculate measures bearing the same titles differently, hence a direct comparison between companies using such terms may not be possible, which limits the usefulness of these non-PFRS Accounting Standards financial measures.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expected future results;
- performance or achievements expressed or implied by forward-looking statements;
- our overall future business, financial condition, operational performance and results of operations, including, but not limited to, our financial position or cashflow; and
- changes in our regulatory environment including, but not limited to, policies, decisions, and determinations of Governmental or regulatory authorities.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- risks relating to us, our businesses and operations;
- our ability to successfully implement our current and future business strategies;
- our ability to manage our expansion and growth;
- our ability to leverage on our strengths;
- risks relating to the Philippines;
- the condition and changes in the Philippine, Asian or, global economies and future political instability in the Philippines;
- changes in interest rates, inflation rates, and the value of the Philippine Peso against the U.S. dollar and other currencies;
- our ability to obtain, renew, and extend, as the case may be, licenses, permits and other authorizations required;
- changes in Government regulations, including tax laws, or licensing in the Philippines;
- competition in the industries in which we operate;
- risks relating to the Offer and the Offer Shares; and
- factors that are not known to us at this time.

Additional factors that could cause our actual results, performance or achievements to differ materially from forward-looking statements include, but are not limited to, those disclosed under “*Risk Factors*” and elsewhere in this Prospectus. These forward-looking statements speak only as of the date of this Prospectus. We and the Joint Bookrunners expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Prospectus includes statements regarding our expectations and projections for future operating performance and business prospects. The words “believe,” “plan,” “expect,” “anticipate,” “estimate,” “project,” “intend,” “seek,” “target,” “aim,” “may,” “might,” “will,” “would,” “could,” and similar words identify forward-looking

statements. Statements that describe our objectives, plans or goals are forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. In light of the risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statement and we give no assurance that such forward-looking statements will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section “*Risk Factors*” and elsewhere, important factors that could cause actual results to differ materially from our expectations. All subsequent written and oral forward-looking statements attributable to us or persons acting on behalf of us are expressly qualified in their entirety by the above cautionary statements.

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APPENDIX 1: FULL INDUSTRY REPORT PREPARED BY THE INNOVATION GROUP

GLOSSARY

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this Prospectus as they relate our business. As such, these terms and their meanings may not always correspond to the standard industry meaning or usage of these terms.

AML	all applicable laws and regulations related to anti-money laundering, counter-terrorism financing and economic sanctions compliance
BCDA.....	the Bases Conversion and Development Authority
BIR	Philippine Bureau of Internal Revenue
BRC Expansion.....	the Branded Residences and Casino or the planned construction and development of a gaming and hospitality in Clark
BSP.....	Bangko Sentral ng Pilipinas or the Central Bank of the Philippines
cage	a secure room within a casino with a facility that allows patrons to exchange cash for chips required to participate in gaming activities, or to exchange chips for cash
CAGR.....	compounded annual growth rate
CDC.....	Clark Development Corporation
Clark.....	Clark Freeport Zone located in Pampanga, Central Luzon, Philippines
dealer	a casino employee who takes and pays out wages or otherwise oversees a gaming table
drop	for table games, the amount of cash used to purchase gaming chips at the gaming table. For slot machines, the aggregate amount of bank notes in a drop box, plus any electronic money transfers made to the slot machine through the use of a cashless wagering system
drop box	a box or container that serves as a repository for cash, chips and forms used to record movements in the chip inventory on each table game
Ecozones	Special economic zones in the Philippines operated, administered and regulated by PEZA
EGM.....	electronic gaming machines, comprising slot machines and ETGs. It refers to any device, whether wholly or partly mechanically or electronically operated that is so designated that (i) it may be used for the purpose of playing a game of chance or a game of mixed chance and skill; and (ii) as a result of making a bet on the device, winnings may become payable
ETG	electronic table games or EGMs comprising of a combination of a central server, player interface and all interface elements that function collectively for the purpose of electronically simulating live table game

	operations including but not limited to the automated collection of bets and payout winnings
F&B.....	food and beverage
food cover.....	the number of individual meals or servings provided to guests at F&B outlets
gaming	playing all games of chance commonly placed in casinos and variations thereof, including but not limited to the games of chance referred to in the Gaming License
Gaming License	the gaming license issued by PAGCOR to HPI on July 31, 2019, as amended
GCE Expansion.....	the Company’s gaming floor and F&B expansions and the construction of a parking structure
GGR	Gross gaming revenue or the total of all sums, including checks and other negotiable instruments, whether collected or not, that is received in any month from the conduct of gaming, less the total of all sums paid out as winnings to casino players during that month in respect of gaming. For purpose of this definition: (a) Any sum received for the issue of a chip or slot machine token for gaming is a sum received from the conduct of gaming, and any sum paid out to redeem a chip or slot machine token is a sum paid out as winnings; and (b) In cases of any extension of credit by HPI to foreign players brought into the casino, the aggregate value of chips issued in any month on credit whether by credit card transaction or otherwise, shall be deemed to be sums actually received in that month from the conduct of gaming.
Hann Reserve	a 455.6-hectare property located in New Clark City that the Company, through HPI, plans to develop, together with its affiliate, into a mixed-use development luxury mountain resort consisting of, among others, golf courses and a luxury resort
HDC	Hann Development Corporation
HFI	Hann Foundation, Inc.
High Roller or High Roller tables	a class of gaming customer or table as defined by PAGCOR or PAGCOR regulations from time to time, characterized by higher minimum wagers per customer or table than regular Mass Market wagers per customer or table
HPI	Hann Philippines, Inc.
Independent gaming promoters.....	also known as junket operators, these are individuals or corporations that promote casino games and activities to patrons, through the arrangement of certain services, including the provision of credit,

	transportation, accommodation, dining and entertainment, whose activity in the Philippines is regulated by PAGCOR
Integrated tourism resort	a comprehensive development that combines various elements of tourism and hospitality within a single location. These resorts typically offer a wide range of facilities and services designed to cater to diverse visitor needs and preferences.
KJ Choi Golf Course	A 18-hole championship golf course to be designed by KJ Choi expected to be located in Hann Reserve
live table games	games set up in live dealer studios that may use either generic, dedicated or physical tables shown by live broadcast
New Clark City	a planned community undergoing development, owned and managed by the BCDA. New Clark City is located in Tarlac, Central Luzon, Philippines
Nicklaus Golf Course	A 18-hole championship golf course to be designed by Nicklaus Design expected to be located in Hann Reserve
Mass Market players	comprise players choosing lower limit games, table games and slot machines, and who do not participate on rolling chip programs
PAGCOR	The Philippine Amusement and Gaming Corporation
PIGO	Philippine inland gaming operations
PGA	Professional Golfers' Association
room keys	keys that are ready to be issued to guests upon check-in, indicating that the rooms are prepared and guests can access them using keys provided by the hotels
slot machines	EGMs that do not simulate live table games which, upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate and payout is made automatically from the machine.
Total drop volume	the total amount of money exchanged for chips at gaming tables or wagered in slot machines and ETGs, and is a measure of the total amount of money that players bring to the casino to gamble
VIP players	comprise players on a rolling chip program or in higher limit games, playing almost exclusively in dedicated VIP rooms or designated casino or gaming areas. VIP players may also include players introduced by independent gaming promoters and former Mass Market players who chose to play high limit games
WILI	Widus International Leisure, Inc., an affiliate of HHI
win rate	the percentage of total drop volume that the casino retains as profit, and is a measure of the casino's earnings from the games we offer. The win

rate is calculated by dividing the casino's total winnings by the total amount wagered by players.

GLOSSARY OF TERMS RELATING TO THE OFFER AND TO THE ISSUER

Application	an application to subscribe for Offer Shares pursuant to the Offer
AUB	Asia United Bank Corporation
BDO Capital	BDO Capital & Investment Corporation
BDO Unibank	BDO Unibank, Inc.
BIR	Bureau of Internal Revenue of the Philippines
Board of Directors or Board	HHI's board of directors
BSP	<i>Bangko Sentral ng Pilipinas</i> , the central bank of the Philippines
Business Day	any day other than Saturday, Sunday and public non-working holidays on which the BSP's Philippine Payment and Settlement System and the Philippine Clearing House Corporation (or, in the event of discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and commercial banks are generally open for the transaction of business in Metro Manila, Philippines.
CAR	Certificate Authorizing Registration, issued by the BIR
CAGR	compound annual growth rate
CCCS	Central Clearing and Central Settlement
Chinabank Capital	China Bank Capital Corporation
CLSA	CLSA Limited
Common Shares	the common shares of HHI, par value of ₱0.10 per share
Domestic Underwriters and Joint Bookrunners	AUB, BDO Capital, Chinabank Capital, PNB Capital
ESOP	employee stock option program
ETF	Exchange Traded Funds
Firm Shares	up to [500,001,000] Common Shares to be offered and issued by the Company
HGH	the Selling Shareholder or Hann Group Holdings W.L.L
Institutional Offer	offer (i) outside the United States by the Sole Global Coordinator and Joint Bookrunner in offshore transactions in reliance on Regulation S of the U.S. Securities Act, and (ii) to local qualified buyers as defined under the SRC and other investors in the Philippines by the Domestic Underwriters and Joint Bookrunners
Institutional Offer Shares	up to [350,000,700] Firm Shares being offered pursuant to the Institutional Offer
IRO	Investor Relations Officer
Joint Bookrunners	CLSA Limited, AUB, BDO Capital, Chinabank Capital, PNB Capital

Labor Code	Labor Code of the Philippines
Listing Date	the date on which the trading of the Offer Shares on the PSE begins, expected to be on or about [September 19,] 2025
Local small investors or LSIs	local small investors under the PSE's Local Small Investors program
Metro Manila or NCR	the metropolitan area comprising the capital city Manila and the surrounding cities of Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Quezon, San Juan, Taguig and Valenzuela and the municipality of Pateros
Offer	The offer and sale of the Offer Shares on, and subject to, the terms and conditions stated herein
Offer Price	up to ₱[23.60] per Offer Share
Offer Shares	the Firm Shares and the Option Shares
Option Shares	up to [50,001,000] Common Shares to be offered and sold by the Selling Shareholder and purchased by the Stabilizing Agent upon exercise of the Overallotment Option
Overallotment Option	an option granted by the Selling Shareholder to the Stabilizing Agent, exercisable within [30] calendar days from and including the Listing Date, to purchase Option Shares
PCD	Philippine Central Depository
PCD Nominee	PCD Nominee Corporation
PDS	Philippine Dealing System
PDTC	The Philippine Depositary and Trust Corporation
PFRS Accounting Standards	Philippine Financial Reporting Standards (PFRS) Accounting Standards
Philippine National	as defined under the Foreign Investments Act of 1991, means a citizen of the Philippines, or a domestic partnership or association wholly owned by citizens of the Philippines, or a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and the entitlement to vote is owned and held by citizens of the Philippines, or a corporation organized abroad and registered to do business in the Philippines under the Philippine Revised Corporation Code of which 100% of the capital stock outstanding and the entitlement to vote is wholly owned by Filipinos or a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine national and at least 60% of the fund will accrue to the benefit of Philippine nationals; provided, that where a corporation and its non-Filipino stockholders own stocks in a Philippine SEC-registered enterprise, at least 60% of the capital stock outstanding and entitled to vote of each of both corporations must be owned and held by citizens of the Philippines, in order that the corporation shall be considered a Philippine national.

Pursuant to Philippine SEC Memorandum Circular No. 8, Series of 2013, which generally applies to all corporations engaged in identified areas of activities or enterprises specifically reserved, wholly or partly, to Philippine nationals by the Philippine Constitution, the Foreign Investments Act of 1991 and other existing laws, amendments thereto, and implementing rules and regulations of the said laws, for purposes of

determining compliance with the constitutional or statutory ownership requirement, the required percentage of Filipino ownership shall be applied to both: (i) the total number of outstanding shares of stock entitled to vote in the election of directors; and (ii) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

Philippine SEC	Securities and Exchange Commission of the Philippines
PHISIX	the PSE index
PNB Capital	PNB Capital and Investment Corporation
Pricing Date	on or about [September 4], 2025
PSE	The Philippine Stock Exchange, Inc.
PSE EDGE	PSE Electronic Disclosure Generation Technology
PSE Listing Rules	PSE Consolidated Listing and Disclosure Rules
PSE Trading Participants	duly licensed securities brokers who are trading participants of the PSE
Receiving Agent	Stock Transfer Service, Inc
Regulation S	Regulation S under the U.S. Securities Act
SCCP	Securities Clearing Corporation of the Philippines
Selling Agents	PSE Trading Participants
Selling Shareholder	Hann Group Holdings W.L.L.
Sole Global Coordinator and Joint Bookrunner	CLSA Limited
[Stabilizing Agent	[●]
[Stabilization Period	the period beginning on or after the Listing Date and ending on a date no later than 30 calendar days from and including the Listing Date during which the Stabilizing Agent has an option exercisable in whole or in part for the conduct of stabilization activities]
Stock Transfer Agent	Stock Transfer Service, Inc
Trading Participants and Retail Offer	the offer for sale of the Trading Participants and Retail Offer Shares to be made in the Philippines
Trading Participants and Retail Offer Shares	up to [150,000,300] Firm Shares being offered pursuant to the Trading Participants and Retail Offer
Trading Participants and Retail Offer Settlement Date	the date on which settlement of the Trading Participants and Retail Offer Shares is to be made, expected to be on or about [September 15], 2025
TP Guidelines	Implementing Guidelines for the Reservation and Allocation of the Company Offer Shares to the Trading Participants of the PSE
U.S. Securities Act	The United States Securities Act of 1933, as amended

VAT.....value-added tax

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information presented in this Prospectus, including our audited financial statements and the notes thereto, appearing elsewhere in this Prospectus.

OVERVIEW

Hann Holdings, Inc. (“**HHI**,” or the “**Issuer**”), through its subsidiary, Hann Philippines, Inc. (“**HPI**”) (together with HHI, the “**Company**” the “**Group**”, “**we**,” “**us**,” or “**our**”), is a leading integrated gaming, entertainment, retail, dining, hospitality and leisure luxury resort developer and operator of the first fully integrated resort leisure destination strategically located in the Clark Freeport Zone (“**Clark**”), Pampanga, in Central Luzon, Philippines according to The Innovation Group. We believe that our strategic location in Clark positions us to capitalize on the region’s growing tourism and business activities, offering a unique blend of luxury and convenience for our visitors.

We operate Hann Casino Resort, one of Clark’s largest luxury gaming and hospitality complexes, which combines privately-operated gaming facilities with hotel, retail, dining, entertainment and leisure amenities. Our aim is to continue to develop and operate Hann Casino Resort with amenities and facilities similar to that of well-known casino resorts in both Las Vegas and Macau, offering a diverse range of traditional, online and remote gaming options, as well as non-gaming attractions. To complement our operations, we seek to introduce new hotels and gaming and non-gaming attractions to cater to our target market in Hann Reserve, including three designer 18-hole championship golf courses together with an exclusive affiliation with the Professional Golfers’ Association of America (“**PGA**”). See “*Business—Expansion Plans*.” According to The Innovation Group, the development of the three golf courses in Hann Reserve would cement Clark as a top destination for golfers, and Hann Reserve as one of the unique integrated resorts in the region.

We believe that Hann Casino Resort is one of the major attractions in Clark and is easily accessible by visitors. It is located in proximity to the Clark International Airport, the Subic-Clark-Tarlac Expressway (“**SCTEX**”), and the upcoming North-South Commuter Railway (“**NSCR**”). Hann Casino Resort comprises (i) an integrated gaming, entertainment and retail space offering table games, slot machines, electronic gaming, live entertainment, and food and beverage offerings, and (ii) two internationally-branded five-star hotels, Clark Marriott Hotel and Swissôtel Clark Philippines, offering accommodation, dining, conference and leisure services.

We are developing the first phase of Hann Reserve, a luxury mountain resort which would feature public parks, villas developed by a well-known international luxury brand, and a clubhouse, complemented by two 18-hole championship golf courses, each designed by Nicklaus Design and KJ Choi, and with an exclusive affiliation with the PGA. See “*Business—Expansion Plans*” and “*Use of Proceeds*.” Hann Reserve is a 455.6-hectare master planned mixed-use development in New Clark City, Tarlac, Central Luzon, Philippines (“**New Clark City**”) and will entirely be developed by HPI. We expect the first phase of Hann Reserve to be completed by 2030. The second phase of Hann Reserve is expected to be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, Emblems, and SO, among others, as well as a mixed-use commercial center, an additional 18-hole championship golf course and other facilities. We expect the development of Hann Reserve and any future development of our affiliates to increase foot traffic and customer interest in our casino, hotels and other facilities in the Hann Casino Resort.

HPI holds a Gaming License issued by the Philippine Amusement and Gaming Corporation (“**PAGCOR**”) that allows us to develop and operate our casino and gaming facilities to cater to a broad range of local and international visitors. In addition, HPI has received authorizations to engage in remote and online gaming through its unified platform, Hann Live Online. We welcome a variety of gaming patrons, including the following:

- VIP players, which comprise players on a rolling chip program or in higher limit games, playing almost exclusively in dedicated VIP rooms or designated casino or gaming areas. VIP players may also include players introduced by independent gaming promoters and former Mass Market players who chose to play high limit games; and
- Mass Market players, which comprise players choosing lower limit games, table games and slot machines, and who do not participate on rolling chip programs.

As of March 31, 2025, Hann Casino Resort had 240 gaming tables, 1,162 slot machines and 72 electronic table games. It features non-gaming facilities, such as the 8th Avenue Mall and Hann Signatures, a premium retail outlet

offering a selection of gadgets, liquors, perfumes, watches and accessories catered to gaming and non-gaming patrons. In addition, we are committed to enhancing our players' gaming experience by integrating online and offline games, leveraging partnerships with online gaming providers. See "*Business—Operations—Casino and Gaming*." To accommodate the growing number of players, we began the construction of our two-floor gaming floor extension, which is expected to add over 60 gaming tables and more than approximately 500 slot machines, along with a multilevel parking structure with approximately 330 parking slots. See "*Business—Expansion Plans—GCE Expansion*"

Our two internationally-branded five-star hotels, the Clark Marriott Hotel and Swissôtel Clark Philippines, cater to international and local business and leisure customers. As of the date of this Prospectus, our hotels are two out of only three five-star hotels located in Clark and the entire Central Luzon according to The Innovation Group. The Clark Marriott Hotel is the first five-star hotel in Central Luzon, with 260 rooms and suites, three restaurants, a lobby lounge, a bar and a coffee outlet. On the other hand, the Swissôtel Clark Philippines is the first Swissôtel hotel in the Philippines, with 372 rooms and suites, five restaurants, three bars, and a lounge. Our hotels were given Traveler's Choice Awards by Trip Advisor and named as the Philippines Best Leading Lifestyle Hotel at the 30th World Travel Awards in 2024. See "*Business—Operations—Hotels*."

For the years ended December 31, 2022, 2023 and 2024 we had total revenue of ₱8,639.5 million, ₱11,693.3 million and ₱12,572.3 million (U.S.\$219.1 million), respectively, and total comprehensive net income of ₱1,1436.0 million, ₱2,589.6 million and ₱1,703.7 million (U.S.\$29.7 million), respectively. For the three months ended March 31, 2024 and 2025, our total comprehensive net income was ₱625.9 million and ₱844.4 million (U.S.\$ 14.7 million), respectively.

As of December 31, 2024 and March 31, 2025, we had total consolidated assets of ₱33,769.7 million and ₱34,898.1 million (U.S.\$608.4 million), respectively.

COMPETITIVE STRENGTHS

We believe that our key competitive strengths include the following:

We operate a leading integrated resort in Clark with key leisure offerings.

We operate Hann Casino Resort, a premier integrated resort situated on an 11-hectare property located in Clark, Pampanga in Central Luzon, which caters to a diverse market. We began our operations in 2008 and have since grown our business to become a leading player among Clark-based land casinos with the largest market share of 47.3% as of 2024 according to The Innovation Group. We are recognized as the first one-stop leisure destination of scale which caters to a diverse market in Clark, Central Luzon and Metro Manila according to The Innovation Group.

Hann Casino Resort offers a mixed leisure and entertainment experience targeted to a broad base of visitors. We aim to provide our visitors with world-class hospitality services through our two internationally-branded five-star hotels, the Clark Marriott Hotel and Swissôtel Clark Philippines, alongside various dining and retail options. We recorded 1,512,732, 1,764,238, and 1,765,006 total visitations for both gaming and non-gaming patrons in Hann Casino Resort as of December 31, 2022, 2023 and 2024, respectively, demonstrating a significant growth in CAGR equivalent to 5.3% from 2022 to 2024. As of March 31, 2025, we had 429,752 guest visitations in Hann Casino Resort.

We provide a wide range of gaming options from classic table games to modern electronic gaming machines to cater to both the VIP and Mass Market players. As of March 31, 2025, we have 240 gaming tables, 1,162 slot machines and 72 ETGs over our aggregate gaming area of 13,656 sq. m.

To further establish ourselves as a leading integrated resort operator in Central Luzon, we, together with our affiliate, secured a 455.6-hectare land bank in New Clark City, Tarlac, Philippines, which will be developed into a master planned mixed-used development, Hann Reserve. Hann Reserve will feature three 18-hole championship golf courses, together with an exclusive affiliation with the PGA. According to The Innovation Group, the development of the three golf courses in Hann Reserve cements Clark as a top destination for golfers, and Hann Reserve as one of the unique integrated resorts in the region. We believe that the addition of the golf courses in Hann Reserve will provide us with a competitive edge over our peers, providing us with a unique mix of gaming and non-gaming offerings for our patrons. As such, we believe that we are well-positioned to capture the large golf market of domestic and foreign players in Central Luzon.

We are strategically located in one of the emerging cities in the Philippines.

Hann Casino Resort is located in the heart of Clark, one of the fastest-growing tourist cities in the Philippines and Asia Pacific according to The Innovation Group. In particular, our integrated resort is situated in the Clark Freeport Zone, an emerging economic hub managed by the CDC. The Clark Freeport Zone is envisioned to be a central hub for business and tourism, and a key driver for investment activity in the region. We are strategically located near major transportation infrastructures, providing us with both land and air connectivity. We are approximately 7.5 km away from Clark International Airport, which hosts approximately 160 domestic and international flights weekly, making it highly accessible to both domestic and international visitors. Clark is also highly accessible through major expressways, North Luzon Expressway (“NLEX”) and SCTEX, making it an approximately a two-hour drive away from Metro Manila. We believe that our wide accessibility will allow us to tap both domestic and international tourists as Clark continues to modernize.

Furthermore, we expect to see sustained growth and development in Clark, supported by major infrastructure projects that are expected to further improve Clark’s connectivity in the Philippines and the region. We expect that the NSCR, a 148-km railway being developed in Luzon, will enhance connectivity between Metro Manila and Pampanga. The BCDA remains committed in transforming the Clark International Airport into a reliable gateway to the Philippines and has major expansion plans to support a larger scale of annual passenger movement.

According to The Innovation Group, Clark has become a destination city for foreign tourists with foreign arrivals accounting for approximately 64.2% of total arrivals in Clark in 2024. The Innovation Group reports that foreign visitation has grown by 5.9 times, from 131,997 arrivals in 2021 to 777,513 arrivals in 2024, reaching 88% of pre-pandemic levels. Furthermore, The Innovation Group projects that foreign arrivals will reach 2.2 million by 2028, underscoring the potential growth of Clark as a top tourist destination city in the Philippines. Additionally, The Innovation Group anticipates that the tourism market in Clark will grow from 4.0 million visitors in 2024 to 5.1 million visitors in 2029, with the overall base tourism estimated to increase by a CAGR of approximately 4.9%.

Based on the 2024 statistical report published by CDC, visitations to Clark continued to grow as total visitors reached approximately 4.0 million as of December 31, 2024, an increase of approximately 18.7% from approximately 3.4 million as of December 31, 2023. We believe that the Clark tourism market has recovered from the pandemic, having surpassed pre-pandemic visitation levels of 3.9 million in 2019 according to CDC.

Apart from our presence in the Clark Freeport Zone, we are expanding our footprint through the development of Hann Reserve in New Clark City, a 9,450-hectare sustainable-driven community being developed by the BCDA. New Clark City is envisioned to be an emerging metropolis that promotes sustainable design, aims to reduce traffic congestion, and enhances infrastructure resilience and urban planning. Through Hann Reserve, we believe that we are well-positioned to capitalize on increased visitation in the area as New Clark City continues to develop and new facilities commence operations.

We are a leading gaming operator in Clark with a proven track record.

We have accumulated substantial operational experience and a deep understanding of the Clark gaming market over our nearly two decades of operations. Our operational excellence is supported by our growing capacity, having expanded our gaming operations from 24 gaming tables and 150 slot machines in 2009 to 240 gaming tables, 1,162 slot machine and 72 ETGs as of March 31, 2025, making us the largest gaming operator in Clark according to The Innovation Group. For the year ended December 31, 2024, we had the largest market share in terms of GGR of approximately 47.3%, which was similar to the cumulative share of the next three gaming operators in Clark according to The Innovation Group.

Our gaming expertise is backed by a professional team of casino marketing executives brought to the Philippines from middle to high senior management in large and regional casinos. Through our management’s combined operational experience and deep industry knowledge, we increased our GGR from ₱8.7 billion in 2022 to ₱12.7 billion in 2024, representing a CAGR of 20.2%. The increase was driven by our growth in Mass Market tables and VIP tables GGR, which reached ₱5.1 billion and ₱2.6 billion, respectively, in 2024. Our strong gaming execution has enabled us to outperform our Clark peers and significantly increased our market share in a fast-growing gaming market from 28.3% in 2020 to 47.3% in 2024 according to The Innovation Group. We believe that as the leading gaming operator and our deep industry knowledge over our peers in Clark, we are equipped to maintain our leading market position as Clark continues to expand and attract players from the region.

On the back of strong cash flow generation, we continue to demonstrate revenue growth, with gross revenues reaching ₱12.7 billion in 2024, a 7.5% increase from 2023. Our gaming operations continue to be a significant contributor to our revenue, accounting for 87.0% of total revenues in 2023 and 2024. We have demonstrated high EBITDA Margins of 38.7% and 34.8% in 2023 and 2024, respectively.

On March 25, 2024, HPI received its authority to engage in remote gaming activities from PAGCOR, and we successfully launched our online table games in the second quarter of 2024 and online slots in the first quarter of 2025. On February 13, 2025, HPI received the authorization to commence operations of its electronic casino (“E-Casino”) games. We are exploring various business opportunities to grow our online platform, Hann Live Online, to support our online gaming and remote gaming initiatives.

We provide best-in-class hospitality services in Clark.

Our integrated resort features leading branded hotels and dining options in Central Luzon that are owned and operated by Hann Casino Resort. Given our strong presence in Clark, we have become the partner-of-choice of globally renowned hotel brands including “Marriott” and “Swissôtel”. We have established a good relationship with Marriott and Swissôtel and have been managing the Clark Marriott Hotel and the Swissôtel Clark Philippines since 2018 and 2022, respectively.

The Clark Marriott Hotel is the first five-star hotel in Central Luzon accredited by the Philippine Department of Tourism (“DOT”), while Swissôtel Clark Philippines is the first Swissôtel hotel in the Philippines. The Clark Marriott Hotel and Swissôtel Clark Philippines are two of only three five-star rated hotels in Clark according to The Innovation Group. Our hotels enjoy high occupancy rates, averaging approximately 86.0% in 2024, which is higher than the industry average in Clark of approximately 78.0% for the same period, according to CDC.

As a testament to our strong hotel operation capabilities, we received the following recognition for our hotels:

Year	Clark Marriott Hotel	Swissôtel Clark Philippines
2019	- Champion at the World Food Expo Open Flair Challenge - Top Hotel Partner for Content Score at the 2019 Annual Partner Awards by the Expedia Group - Leadership Excellence Award at the 2019 APEC General Manager Awards.	-
2020	Consumer Operations Leadership award at the 2020 APEC General Manager and Hotel Awards.	-
2022	- The Marriott Ballroom was accredited for meeting the ASEAN-MIC standards in the meeting room category - Recognized in the Tripadvisor’s Travelers’ Choice Awards	- Received a rating of 9.4 in the Agoda Customer Review Awards - Awarded the Top Performing Hotel in Asia Pacific from Accorplus
2023	Recognized in the Tripadvisor’s Travelers’ Choice Awards	“Best Leading Lifestyle Hotel” award at the 30th World Travel Awards - Recognized in the Tripadvisor’s Travelers’ Choice Award - Awarded Top Performing Hotel in Asia Pacific from Accorplus
2024	- Ranked as the No. 1 five-star hotel in Central Luzon according to Tripadvisor - Recognized in the Tripadvisor’s Travelers’ Choice Awards “Best Luxury MICE Hotel” award at the Luxury Lifestyle Awards	- Recognized in the Tripadvisor’s Travelers’ Choice Award “Philippines’ Leading Lifestyle Hotel” award at the 31st World Travel Awards
2025	Nominated as the Philippines’ Leading Airport Hotel 2025 by the World Travel Awards	Received the “Best Reputation Performance Score 2024” Award for Premium Brand – Southeast Asia by Accor.

Alongside our top-tier hotels, we operate 18 highly-rated restaurants, each offering different dining options and cuisines to cater to various customer preferences. Our restaurant offerings in the Clark Marriott Hotel was named

the Asia Pacific Culinary Leader in 2022 by Marriott International. In 2024, nine of our restaurants were included in Tripadvisor's top 10 restaurants in Central Luzon, with Smoki Moto ranking first.

Emphasizing our strength in the hospitality business, we have signed agreements with recognized hotel brands such as the Sofitel, Westin, The Luxury Collection, Emblems, and SO, which we expect to be operated at Hann Reserve. We believe that our reputation as a trusted hospitality partner we are well-positioned to capture the growing tourism market and will enable us to broaden our customer base outside of our gaming audience.

Led by a visionary and experienced management team under a lean organizational structure.

We have a strong leadership team with the vision and expertise to steer and grow our business into a leading integrated resort in the Philippines. Our management team comprises of individuals who have established careers and experience, and have formed valuable connections and relationships within the gaming industry.

Mr. Dae Sik Han, our founder, Chairman and President, moved to the Philippines in 2006. Having recognized the potential of Clark, Mr. Han established a hotel and casino complex which started operating with 24 tables and 150 slot machines. Under Mr. Han's leadership, we have grown from an emerging hotel and casino operator to a leading gaming and leisure group. Furthermore, our management team is supported by a seasoned individuals that bring a significant experience in gaming, hospitality, finance, and operations, providing us with deep industry knowledge and unique insights on the Philippine and regional gaming and hospitality landscape.

Leveraging our management's in-depth knowledge and industry expertise, we believe that we are able to consistently stay ahead of industry trends and effortlessly integrate market shifts to our business model. We are confident that our collective experience in the industry will enable us to strengthen our market position and allow us to capture the future opportunities to grow the business.

As a testament, our ability to accurately identify target customers during the COVID-19 pandemic enabled us to achieve a positive net income, recorded a revenue growth of 217.8% and achieved a high occupancy rate of 82% both in 2022, despite the negative pandemic impact brought to the hospitality industry.

BUSINESS STRATEGIES

Our key strategies are set out below:

Strengthen our market position in Clark through the expansion of offerings in Hann Casino Resort..

We intend to further strengthen our leading position in Clark through the continued expansion and diversification of our integrated casino and resort. As part of our ongoing initiatives to diversify our offerings, we are in the process of (i) developing and constructing facilities to accommodate additional gaming capacity, F&B and entertainment space; and (ii) developing a retail wing featuring distinguished brands and diverse dining options. We believe that the diversification of our services will allow us to attract a broad mix of gaming and non-gaming patrons.

We are constructing a two-level facility with an aggregate gaming area of 3,225 sq. m., adjacent to our existing gaming facility. This expansion will comprise gaming floors, F&B offerings and a parking structure ("**GCE Expansion**"). The GCE expansion will increase our gaming capacity with an additional 62 table games, 558 slot machines, and 26 ETGs. The expansion will include a multi-level parking structure and additional casual and fine dining restaurants to complement our gaming facilities. We expect the first level of the GCE Expansion to be operational by October 2025 and to be fully operational by March 2026. The GCE Expansion will significantly increase our gaming capacity by approximately 43.8%, which we believe will reinforce our position as a leading gaming provider in Clark.

We are also in active discussions to construct and develop another gaming and hospitality facility, the Branded Residences and Casino expansion ("**BRC Expansion**"). We intend to develop an additional gaming facility with an aggregate gaming area of 7,537 sq. m., increasing our overall gaming capacity. The BRC Expansion will include two branded residential towers with approximately 1,392 units; 3,247 sq. m. of function rooms; and various new F&B options. We expect that the expansion will be fully operational by the end of 2028.

As part of our strategy to expand our non-gaming offerings, we are also in the final stages of development of our shopping complex, 8th Avenue Lifestyle Mall. The 8th Avenue Lifestyle Mall will occupy approximately 3,514 sq. m. of gross leasable area, consisting of 19 active retail spaces. Our retail space is expected to be completed

and fully operational by October 2025. As of March 31, 2025, the development is 98.0% completed and has achieved an occupancy rate of 90.0%.

Develop a holistic leisure and hospitality experience for the growing tourism market through Hann Reserve in New Clark City.

We intend to strengthen our presence in Central Luzon through the development of Hann Reserve, a 455.6-hectare master planned mixed-use development in New Clark City, Tarlac, Philippines. Hann Reserve is located approximately 20 kilometers from Hann Casino Resort. We believe that Hann Reserve would be the first of its kind in the Philippines, a unique development which features, among other facilities, three designer 18-hole championship golf courses and branded residences.

We, together with our affiliates, intend to develop Hann Reserve in two phases, the first of which commenced its groundbreaking in November 2022. Upon completion, the first phase will include two 18-hole championship golf courses, which will be known as the Nicklaus Golf Course and the KJ Choi Golf Course, and luxury villas. The Nicklaus Golf Course is being designed by Nicklaus Design, a renowned global golf course design firm, while the KJ Choi Golf Course will be designed by K.J. Choi, a South Korean professional golfer. Both golf courses will be developed through an exclusive agreement with the PGA. To complement the golf courses, we are developing luxury villas to provide our guests with an immersive experience rooted in nature and sustainable designs. We believe our professional golf courses and the villas will be a key attraction to draw local and foreign visitors to New Clark City. As of March 31, 2025, we believe that we are on track to meet our target completion of the first phase by 2027.

The second phase of Hann Reserve will be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, Emblems and SO, among others, as well as a mixed-use commercial center. We intend to complement the estate with another 18-hole championship golf course, the Faldo Golf Course, which will be designed by Faldo Design, an international golf course design firm headed by Nick Faldo. The second phase of Hann Reserve is expected to commence construction in 2028.

According to The Innovation Group, Clark has become a popular golfing destination among Asian golfers with a cluster of four courses and clubs, offering a total of 108 holes. In comparison to the existing golf courses, we believe that our proposed development will be the first premier golf courses to be introduced in Clark, and that the proposed development of our designer courses will cement Clark as a top destination for golfers in the region.

Furthermore, we believe that our strategy to develop premier golf courses in Clark provides us with a unique, competitive edge among the other integrated resorts in Entertainment City and Clark. Upon completion of Hann Reserve, we will have positioned ourselves as the first integrated resort with golf course offerings in the Philippines. We are confident that the addition of golf courses will not only diversify our revenue base but also contribute to an increase in gross gaming revenue from an increase in premium mass market customers and induced tourist visits.

The following table provides key operational data relating to the planned development of Hann Reserve as of March 31, 2025:

Details	Phase 1	Phase 2
Number of units	30 villas	20 villas Sofitel – 300 rooms Westin – 200 rooms The Luxury Collection – 50 rooms Emblems – 200 rooms SO – 300 rooms
Golf course	Two golf courses (Nicklaus Golf Course and KJ Choi Golf Course)	One golf course (Faldo Golf Course)
Other non-gaming features	10-hectares for public park; 3.6 hectare clubhouse with a driving range and amenities; golf academy	Driving range

Details	Phase 1	Phase 2
	and driving range; outdoor activity area; an international school; and other mixed-use developments.	
Projected completion.....	End of 2025 (expected) for Nicklaus Golf Course and Clubhouse, end of 2027 (expected) for villas and KJ Choi Golf Course; end of 2030 for the public park	End of 2030 (expected) for Faldo Golf Course and Golf Residences
We believe that the development of Hann Reserve and any future development are expected to increase foot traffic and customer interest in the casino, hotels, and other facilities operated and managed by HHI. We anticipate that Hann Reserve will be a considerable development in New Clark City and Central Luzon which will stimulate economic activity and drive tourism growth in Clark. <i>Diversify our gaming business through differentiated online gaming offerings.</i> We intend to increase our market penetration by capturing the upward trend in the online gaming market in the Philippines. We continue to actively explore business opportunities for the integration of online gaming services into our business model, which will enable us to provide our existing patrons with alternative gaming platforms that are leading the gaming landscape. We have commenced the rollout of online gaming to our patrons through our unified platform, Hann Live Online, which as of March 31, 2025, hosts 103 random number generator games. This initiative facilitates player access to a wide selection of games via internet-based platforms which has already been implemented in 2024 and the first quarter of 2025. We intend to expand our portfolio of E-Casino games to approximately 500 games by end of 2025. As we diversify our gaming services, we will continue to enhance our technology and R&D capabilities to support our venture into online gaming. As part of our expansion initiatives into the online gaming space, we intend to partner with a global entertainment and gaming company to roll out our online gaming initiatives. <i>Develop an integrated gaming floor for physical and online gaming.</i> We intend to redefine the gaming landscape by offering a blend of brick-and-mortar gaming and online gaming. To facilitate this, we will integrate the remote gaming in the Hann Live Online platform. We believe that this integration would allow us to provide a seamless and immersive experience for our patrons, combining physical gaming with the convenience of digital access. Our remote gaming capabilities seeks to enable players to engage in live games online, with dealers operating from our physical locations, thus maintaining the authenticity of live gaming. We are leveraging advanced customer relationship management systems and platforms to synchronize these experiences, offering data-driven insights to improve customer engagement. We believe that this approach not only expands our market reach, but positions us to reach local market segments by attracting a broader audience. The remote gaming floor will consist of 10 gaming tables and 97 slot machines which will be available to use online on our web-based platform. Our remote gaming feature will allow users to engage in real-time gaming with our dealers, mirroring the experience of being physically present in the casino. We believe that the launch of our livestream games will expand our target demographic and drive deeper engagement with our patrons. We are leveraging advanced customer relationship management systems and platforms to synchronize these experiences, offering data-driven insights to improve customer engagement. We believe that this approach not only expands our market reach, but positions us to reach local market segments by attracting a broader audience. <i>Boost foreign visitation through various partnerships and collaborations with internationally recognized organizations.</i> To strengthen our ties with international patrons, we, through our affiliate, are actively securing business relationships with reputable industry players in the Asia-Pacific region. Our aim is to use these partnerships to drive foreign visitation to Clark as one of the only foreign-led casino in the Philippines.		

As of March 31, 2025, we are in advanced discussions for a joint venture with a regional steel manufacturing company, for construction and development opportunities in the Philippines. We continue to actively explore business opportunities to drive foreign demand in Clark.

RISKS OF INVESTING

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. Certain of these risks are discussed in the section entitled “*Risk Factors*” in this Prospectus and include risks relating to our businesses and operations, risks relating to the Philippines, and risks relating to the Offer and the Offer Shares and risks relating to certain information in this Prospectus.

INVESTOR RELATIONS OFFICE

The investor relations office will implement the investor relations program in order to reach out to all shareholders and keep them informed of corporate activities. The office will also handle communication of relevant information to our stakeholders as well as to the broader investor community. The investor relations office will also be responsible for receiving and responding to investor and shareholder queries relating to the Company.

Ronmae Jenine T. Ferrer has been appointed by the Board of Directors as the Investor Relations Officer (“**IRO**”) of the Company and to serve as such. The IRO will ensure that we comply with and file on a timely basis all required disclosures and continuing requirements of the Philippine SEC and the PSE. In addition, the IRO will oversee most aspects of the shareholder meetings, press conferences, investor briefings, and management of the investor relations portion of our website, which will contain information, including but not limited to:

- (a) Company information (organizational structure, board of directors and management team);
- (b) Company news (analyst briefing report, press releases, latest news, newsletters (if any));
- (c) Financial report (annual and quarterly reports for the past two years);
- (d) Disclosures (recent disclosures to PSE and Philippine SEC for the past two years);
- (e) Investor FAQs;
- (f) Investor Contact (email address and phone numbers for feedback/comments, shareholder assistance and service); and
- (g) Stock Information.

COMPANY INFORMATION

We are a Philippine corporation organized under the laws of the Philippines. Our principal office address is Hann Casino Resort, 5399 M.A. Roxas Highway corner C.M. Recto, Clark Freeport Zone, Pampanga, Philippines with telephone number +63 45 306 1000. Our corporate website is www.hannholdings.ph. Information in the website is not incorporated by reference into this Prospectus.

SUMMARY OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations, and privileges attaching to or arising from the Offer Shares. Some rights, obligations, or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective investors are enjoined to perform their own independent investigation and analysis of the Issuer and the Offer Shares. Each prospective investor must rely on its own appraisal of the Issuer and the Offer Shares, and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer Shares and must not rely solely on any statement or the significance, adequacy, or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective investor's independent evaluation and analysis. Before the execution of the underwriting agreements, the Offer may be withdrawn at any time. The Offer may also be withdrawn at any time (i) after the execution of the underwriting agreements and before the commencement of the Offer Period, and (ii) on or after the commencement of the Offer Period and prior to the Listing Date, due to the occurrence of any of the events referred to in the section on "Withdrawal of the Offer". Further, the Joint Bookrunners reserve the right to reject any commitment to subscribe for the Offer Shares in whole or in part and to allot to any prospective purchaser less than the full amount of the Offer Shares sought by such purchaser. If the Offer is withdrawn or discontinued, the Issuer shall subsequently notify the Philippine SEC and the PSE.

Issuer	Hann Holdings, Inc., a corporation organized under Philippine law. The trading symbol shall be " HANN ".
Selling Shareholder	Hann Group Holdings W.L.L.
Sole Global Coordinator and Joint Bookrunner	CLSA Limited (" CLSA ")
Domestic Underwriters and Joint Bookrunners.....	Asia United Bank Corporation (" AUB "), BDO Capital & Investment Corporation (" BDO Capital "), China Bank Capital Corporation (" Chinabank Capital "), and PNB Capital and Investment Corporation (" PNB Capital ").
Joint Bookrunners	Sole Global Coordinator and Joint Bookrunner and the Domestic Underwriters and Joint Bookrunners
Selling Agents.....	PSE Trading Participants
Offer Shares	The Firm Shares and the Option Shares.
The Offer	Offer of up to [500,001,000] Firm Shares with an offer of up to [50,001,000] Option Shares by the Selling Shareholder pursuant to the Overallotment Option (as described below). The Firm Shares comprise Common Shares to be offered by the Company. The Option Shares will comprise Common Shares to be offered by the Selling Shareholder pursuant to the Overallotment Option.
Institutional Offer	Up to [350,000,700] Firm Shares, or approximately [70]% of the Firm Shares, are being offered for sale (i) outside the United States by the Sole Global Coordinator and Joint Bookrunner in offshore transactions in reliance on Regulation S under the U.S. Securities Act, and (ii) to local qualified buyers as defined under the SRC and other investors in the Philippines by the Domestic Underwriters and Joint Bookrunners. The Option Shares will form part of the Institutional Offer. The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to adjustment as agreed between the Issuer and the Joint Bookrunners as well as oversubscription

	or undersubscription of either or both the Trading Participants and Retail Offer and the Institutional Offer. See “—<i>Reallocation</i>” below.
Trading Participants and Retail Offer	At least [150,000,300] Firm Shares, or approximately [30]% of the Firm Shares, (the “Trading Participants and Retail Offer Shares”) are being offered in the Trading Participants and Retail Offer in the Philippines at the Offer Price. At least [100,000,200] Trading Participants and Retail Offer Shares (approximately [20]% of the Firm Shares) are being allocated to all of the [123] active PSE Trading Participants at the Offer Price and [50,000,100] Trading Participants and Retail Offer Shares (approximately [10]% of the Firm Shares) are being allocated at the Offer Price to local small investors (“LSIs”) under the PSE’s LSI program, provided that the LSI Allocation will be increased to up to [●] Offer Shares if the total amount of Offer Shares in Applications to Purchase submitted by LSIs is five (5) times or more than the LSI Allocation. In the event that the total demand by LSIs for the Offer Shares exceed the maximum allocation of up to [●], the Joint Global Coordinators and Joint Bookrunners shall allocate the Offer Shares by balloting. The Offer Shares allocated to the LSIs will be distributed following the procedures indicated in the implementing guidelines for the offering to LSIs of the Offer Shares to be announced in the PSE Electronic Disclosure Generation Technology by the PSE. Each PSE Trading Participant shall initially be allocated [[●]] Firm Shares. Based on the initial allocation for each PSE Trading Participant, there will be a total of [[●]] residual Firm Shares to be allocated as may be determined by the Domestic Underwriters and Joint Bookrunners. Each LSI applicant may subscribe up to a minimum of [●] Common Shares and up to a maximum of [●] Common Shares at the Offer Price. The Domestic Underwriters and Joint Bookrunners shall purchase the Trading Participants and Retail Offer Shares not reallocated to the Institutional Offer or otherwise not taken up by the PSE Trading Participants or clients of the Domestic Underwriters and Joint Bookrunners or the general public in the Philippines pursuant to the terms and conditions of the Domestic Underwriting Agreement. The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to adjustment as agreed between the Issuer and the Joint Bookrunners as well as oversubscription or undersubscription of either or both the Trading Participants and Retail Offer and the Institutional Offer. See “—<i>Reallocation</i>” below.
Eligible Investors	The Trading Participants and Retail Offer Shares may be purchased by any natural person of legal age regardless of nationality, or any corporation, association, partnership, trust account, fund, or entity residing in and organized under the laws of the Philippines, regardless of nationality, subject to the restrictions on ownership, as described below, and in consultation with the Joint Bookrunners, the Issuer’s right to reject an Application or reduce the number of the Firm Shares applied for subscription. The Institutional Offer Shares are being offered for sale (i) outside the United States by the Sole Global Coordinator and Joint Bookrunner in offshore transactions in reliance on Regulation S under the U.S. Securities Act, and (iii) to certain local qualified buyers as defined under the SRC and other investors in the Philippines by the Domestic Underwriters and Joint Bookrunners.

	Purchase of the Offer Shares in certain jurisdictions may be restricted by law. Foreign investors interested in purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. All potential investors, both corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.
Offer Price.....	Up to ₱[23.60] per Offer Share. The Offer Price will be determined based on a book building process and discussions between the Issuer, the Selling Shareholder and the Joint Bookrunners.
Stabilizing Agent	[●].
Overallotment Option	Subject to the approval of the Philippine SEC, the Selling Shareholder has granted the Stabilizing Agent an option, exercisable in whole or in part, to purchase up to [50,001,000] Option Shares at the Offer Price, on the same terms and conditions as the Firm Shares as set out in this Prospectus, and effect price stabilization transactions. The Overallotment Option is exercisable from and including 30 calendar days after the Listing Date. See the section entitled “ <i>Plan of Distribution – The Overallotment Option and Stabilization</i> ” in this Prospectus.
Restriction on Ownership.....	The Offer Shares may be subscribed or purchased, as applicable, and owned by any individual of legal age, or by any corporation, association, partnership, or trust, regardless of citizenship or nationality, subject to applicable nationality limits under Philippine law. In particular, the Philippine Constitution and other Philippine laws and regulations set forth restrictions on foreign ownership for companies engaged in certain activities or those who own land. Currently, however, the Issuer does not own any parcels of land. Additionally, while all forms of gambling is subject to a 40% foreign equity restriction, Hann Philippines, Inc., a subsidiary of the Company, is exempt from such foreign equity restriction by virtue of its agreement with the PAGCOR and its lease with CDC. In the event that foreign ownership of the Issuer’s outstanding capital stock will exceed such allowable maximum percentage, the Issuer has the right to reject a transfer request by a stockholder to persons other than Philippine Nationals and the right not to record such purchases in the Issuer’s books. Moreover, if any share is inadvertently issued and/or transferred in violation of the said restriction, the shares issued and/or transferred in excess of the allowable maximum percentage shall be null and void, and the Issuer may immediately proceed to cancel and demand the surrender of the certificate of stock covering such shares. Should any stockholder acquire shares in excess of the foregoing restriction, such stockholder shall not be considered a stockholder and shall have no right with respect to such shares, except to demand payment therefor from us or transferor, as the case may be, or to dispose of the same to qualified shareholders within 30 days of receipt of notice from the Issuer. Foreign investors interested in subscribing or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence, or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. All potential investors, both

	corporate and individual, warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase, and hold the Offer Shares.
Offer Period	The Offer Period shall begin at [9:00 a.m.] (Manila time) on [September 9], 2025 and end at [12:00 noon] (Manila time) on [September 15], 2025. If, for any reason, any day of the Offer Period is a non-Business Day, then the Offer Period may be extended to the next immediately succeeding Business Day, or such other date as may be agreed upon by the Issuer and the Joint Bookrunners. The Issuer and the [Joint Bookrunners] reserve the right to extend or shorten (provided that the Offer Period shall not be shorter than five Business Days), subject to the approval of the PSE and the Philippine SEC. Applications must be received by the Receiving Agent not later than [12:00 noon], Manila Time on [September 15], 2025 whether filed through a participating PSE Trading Participant or the Domestic Underwriters and Joint Bookrunners or filed directly with the Receiving Agent or through PSE EASy for LSI applications. Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission to the Receiving Agent, and shall be subject to the terms and conditions of the Offer as stated in this Prospectus and in the Application. The actual subscription and/or purchase of the Offer Shares shall become effective only upon the actual listing of the Offer Shares on the PSE.
Minimum Subscription	Each application must be for a minimum of [100] Common Shares, and thereafter, in multiples of [100] Common Shares (the “ Board Lot ”). Applications for multiples of any other number of Common Shares may be rejected or scaled down to conform to the required multiple, at the Issuer’s discretion.
Use of Proceeds	The Issuer intends to use the net proceeds from the Offer for capital expenditures to fund the Company’s development and expansion plans and general corporate purposes. See the section entitled “<i>Use of Proceeds</i>” in this Prospectus for further details.
Reallocation.....	The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to adjustment as may be agreed between us, the Selling Shareholder and the Joint Bookrunners. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Firm Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Firm Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. The reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer, on the one hand, and the Institutional Offer, on the other hand.
Lock-up	Under the PSE Consolidated Listing and Disclosure Rules, as amended (the “ PSE Listing Rules ”), existing shareholders who own an equivalent of at least 10% of the issued and outstanding Common Shares of the Issuer as of the Listing Date cannot sell, assign or in any manner dispose of their shares for a minimum period of 180 days after Listing Date, or if the Issuer is exempt from the track record and operating history requirements, a minimum period of 365 days, after the Listing Date.

In addition, under the PSE Listing Rules, if there is any issuance or transfer of shares (i.e., private placements, asset for shares swaps, or similar transactions) or instruments which lead to the issuance or transfer of shares (i.e., convertible bonds, warrants, or similar instruments) done and fully paid for within 180 calendar days prior to the commencement of the offer period, and the transaction price is lower than that of the offer price in the initial public offering, all such shares issued or transferred shall be subject to a lock-up period of at least 365 calendar days from the full payment of the aforesaid shares.

The following stockholder is covered by the 180-day lock-up requirement from Listing Date:

Shareholder	No. of Shares
Hann Group Holdings W.L.L	[2,000,000,000] Common Shares
TOTAL	[2,000,000,000] Common Shares

On May 27, 2025, the Company issued 1,000 Common Shares each to the independent directors, Mr. Antonio N. Jacinto and Mr. Senen L. Matoto. The following shareholders are covered by the 365-day lock-up requirement from Listing Date:

Shareholder	No. of Shares
Antonio N. Jacinto	[1,000] Common Shares
Senen L. Magtoto	[1,000] Common Shares
TOTAL	[2,000] Common Shares

The Amended Articles of Incorporation of the Issuer provides that the Issuer shall comply with the lock-up requirements of the PSE Listing Rules, as may be amended from time to time, subject to any waiver or exemption as may be granted by the PSE in respect of such lock-up requirement.

To implement this lock-up requirement, the Issuer, Selling Shareholder, Mr. Antonio N. Jacinto and Mr. Senen L. Magtoto shall enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

See the sections entitled “*Principal Shareholders*” and “*Plan of Distribution – Lock-Up*” in this Prospectus.

[The Issuer and the Selling Shareholder have agreed with the Joint Bookrunners that, except in connection with the Overallotment Option, they will not, without the prior written consent of the Joint Bookrunners, issue, offer, sell, contract to sell, pledge, or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any common shares or securities convertible or exchangeable into or exercisable for any common shares or warrants or other rights to purchase common shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of [180] calendar days after the listing of the Common Shares.]

Registration, Listing, and Trading.....

The Issuer has filed an application with the Philippine SEC for the registration, and an application with the PSE for the listing of all its issued and outstanding capital stock (including the Offer Shares). The PSE has approved the listing application in a Notice of Approval dated [●], 2025 and the Philippine SEC [is expected to issue/issued] an Order of Registration and Permit to Sell [prior to the commencement of the Offer Period]/[on [●]].

	The Offer Shares are expected to be listed on the PSE Main Board under the symbol “HANN,” on or about [September 19], 2025, or such other date that may be agreed by the Issuer and the Joint Bookrunners. Notice of any adjustment to the Listing Date shall be made by publication by the Issuer in two (2) newspapers of general circulation, provided that any adjustment to the Listing Date shall be subject to approval of the PSE. Trading of the Issuer’s issued and outstanding Common Shares that are not subject to lock-up is expected to commence on the same date.
Dividends and Dividend Policy	The Issuer is authorized to declare dividends. The Issuer may pay dividends in cash, property, or by the issuance of shares of stock. The distribution of cash and property dividends are subject to the availability of unrestricted retained earnings and approval of the Board, while the distribution of stock dividends, in addition to the availability of unrestricted retained earnings and approval by the Board, also requires the approval of stockholders representing at least two-thirds of the outstanding capital stock of the shareholders at a shareholders’ meeting called for such purpose. Additionally, Philippine SEC approval is required for property dividends or if the issuance of stock dividends requires an increase in authorized capital stock. Dividends may be declared only from available unrestricted retained earnings, representing the net accumulated earnings of the Issuer with its unimpaired capital, which have not been allocated for any managerial, contractual or legal purpose in accordance with the Revised Corporation Code and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC. The Board may not declare dividends that will impair the Issuer’s capital pursuant to the trust fund doctrine, which considers the subscribed capital as a trust fund for the payment of the debts of the corporation, to which the creditors may look for satisfaction. Until the liquidation of the corporation, no part of the subscribed capital may be returned or released to the stockholder (except in the redemption of redeemable shares) without violating this doctrine (<i>National Telecommunications Commission v. Honorable Court of Appeals</i>, G.R. No. 127937 (1999)). The Board will periodically review the amount of dividends to be paid and the frequency of dividend payment in light of the Issuer’s earnings, financial condition, cash flows, capital requirements and other considerations while maintaining a level of capitalization that is commercially sound and sufficient to ensure that the Issuer can operate on a standalone basis. Please see the section entitled “<i>Dividends and Dividend Policy</i>” in this Prospectus for further details.
Procedure for Application for the Trading Participants and Retail Offer	<u>For PSE Trading Participants</u> “Application to Purchase” forms and specimen signature cards (the “Application”) may be obtained from any of the Domestic Underwriters and Joint Bookrunners and the participating PSE Trading Participants, and shall be made available for download on the Issuer’s website. Applicants shall complete the application form, indicating all pertinent information such as the applicant’s name, address, email address, contact number, taxpayer’s identification number, citizenship, and all other information as may be required in the application form. Applicants shall undertake to sign all documents and to do all necessary acts to enable them to be registered as holders of the Offer Shares. Failure to complete the application form may result in the rejection of the Application.

All Applications shall be evidenced by the application to purchase form, in quadruplicate, duly executed by the applicants themselves or by the authorized signatory(ies) of the applicant (in the case of an applicant that is not a natural person), and accompanied by two completed specimen signature cards, which for applicants other than a natural person, should be authenticated by the corporate secretary (or its equivalent officer), and the corresponding payment for the Offer Shares covered by the Application and all other required documents.

If the applicant is an individual person, the Application should be submitted in quadruplicate and accompanied by the following documents:

- the required attachments as enumerated in the Application;
- two (2) duly executed specimen signature cards, duly authenticated by the Applicant's nominated PDTC Participant (as defined below) or the Domestic Underwriters and Joint Bookrunners (if the Applicant is a client of the Domestic Underwriters and Joint Bookrunners);
- photocopy of two (2) valid and current government-issued IDs (e.g., SSS, GSIS, Driver's License, Passport or PRC) (Note: For joint applications (i.e., multiple Applicants in one Application), one (1) valid and current government-issued IDs of each applicant/investor will be required);
- proof of payment; and
- such other documents as may be reasonably required by the Domestic Underwriters and Joint Bookrunners in compliance with its internal policies regarding "knowing your customer," anti-money laundering, and combating financing of terrorism, among others.

If the applicant is a corporation, partnership, trust account, or any other legal person, the Application must be accompanied by the following documents:

- two (2) duly executed specimen signature cards of the authorized signatory(ies), duly authenticated by the Applicant's corporate secretary (or the equivalent corporate officer);
- a certified true copy of the applicant's latest articles of incorporation and by-laws (or the equivalent documents) and other constitutive documents (each as amended to date) duly certified by its corporate secretary (or the equivalent corporate officer authorized to provide such certification);
- a certified true copy of the applicant's Philippine SEC Certificate of Registration (or the equivalent document) issued by the relevant regulating body of the applicant's country of incorporation or organization duly certified by its corporate secretary (or the equivalent corporate officer authorized to provide such certification);
- a duly notarized corporate secretary's certificate (or the equivalent document) setting forth the resolutions of the applicant's board of directors or equivalent body, namely: (i) authorizing the purchase of the Offer Shares indicated in the Application, (ii) identifying the list of designated

signatory(ies) authorized for the purpose mentioned in (i), including each signatory's specimen signature, and (iii) certifying the percentage of the applicant's capital or capital stock held by Philippine nationals;

- a photocopy of two (2) valid and current government-issued IDs (e.g., SSS, GSIS, Driver's License, Passport or PRC ID) of (a) the authorized signatory/ies, duly certified as a true copy by the Corporate Secretary and (b) the Corporate Secretary, duly certified as true copy by an authorized officer of the corporation;
- proof of payment;
- if applicable, a Notarized Affidavit of Undertaking to Submit Original Copies of the Documents ("**Undertaking to Submit**"), attached as [Annex D] to the Implementing Guidelines for the Reservation and Allocation of the Company Offer Shares to the Trading Participants of the PSE (the "**TP Guidelines**"), within five (5) trading days from the submission of the electronic mail of the scanned copies; and
- such other documents as may be reasonably required by the Domestic Underwriters and Joint Bookrunners in compliance with their respective internal policies regarding "knowing your customer," anti-money laundering, and combating financing of terrorism, among others.

For all corporate and institutional Applicants, in addition to the foregoing documents, a certification, in quadruplicate, representing and warranting that their investing in the Offer Shares subject of the Application will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares.

Foreign corporate and institutional applicants who qualify as Eligible Investors, in addition to the documents listed above, are required to submit in quadruplicate, a document signed by an authorized signatory setting out their representation and warranty stating that their purchase of the Trading Participants and Retail Offer Shares to which their application relates will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws of their jurisdictions of incorporation or organization, and that they are allowed, under such laws, to acquire, purchase and hold the Trading Participants and Retail Offer Shares.

In addition, PSE Trading Participants must submit the following:

- properly accomplished sales report in excel and pdf format, duly certified by the respective authorized signatories of the PSE Trading Participant. For physical copies, there must be four (4) copies each bearing the wet ink signature of the certifying authorized signatories of the PSE Trading Participant;
- a certified true copy of the applicant's Philippine BIR certificate of registration duly certified by its corporate secretary (or managing partner in the case of a partnership); and

the PSE Trading Participant's notarized Endorsement and Certification, attached as [Annex C], to the TP Guidelines

This section should be read in conjunction with the LSI Guidelines and the TP Guidelines (the "**Offer Implementing Guidelines**") which will be published on the PSE Electronic Disclosure Generation Technology ("**PSE EDGE**") website.

For Local Small Investors:

Applications to purchase the Trading Participants and Retail Offer Shares must be done online through the PSE EASy. The system will generate a reference number and payment instruction. Applications for the Offer Shares must be settled within the Offer Period.

An LSI applicant should nominate in the Application the PSE Trading Participant through which its shares will be lodged. Otherwise, the Application shall not be accepted.

In the event that an LSI Applicant does not have a PSE Trading Participant, the LSI Applicant may open a trade account with the affiliated brokers of the Domestic Underwriters and Joint Bookrunners and nominate said entity as its endorsing PSE Trading Participant by accomplishing an account opening form and submitting the same (done through [●] for [[●]]), together with any required attachments, to the relevant broker prior to submission of the Application.

LSI applications will be processed on a first-come, first-served basis while final allocation of the Trading Participants and Retail Offer Shares will be determined pursuant to allocation mechanics. This section should be read in conjunction with the LSI Implementing Guidelines which will be published on the PSE EDGE website.

Payment Terms

The purchase price must be paid in full in Philippine Pesos upon the submission of the duly completed and signed application form and specimen signature card together with the requisite attachments. Any and all bank charges, remittance fees, and all relative charges and fees shall be for the account of the applicant.

For the Institutional Offer, payment for the Offer Shares shall be made either by: (i) a personal or corporate check drawn against an account with a BSP-authorized bank having a clearing period of no more than one Business Day, or (ii) a manager's or cashier's check issued by a BSP-authorized bank having a clearing period of no more than one Business Day.

For the PSE Trading Participants, payment for the Offer Shares shall be made through over-the-counter cash or check deposit payment in [*name of bank or other agent*] under the account "[●]."

For the LSIs, payment for the Offer Shares shall be made either by: (i) over-the-counter cash or check deposit payment in any [*name of bank or other agent*] under the account "[●]" [or (ii) online payment via internet banking under the biller account "[●]"]. Applicants participating in the retail offer may contact the Receiving Agent for alternative modes of payment such as DragonPay through PSE EASy.

For check payments, only personal or corporate checks, and manager's or cashier's checks with a clearing period of not more than one Business Day and drawn against any BSP-authorized agent bank will be accepted as a valid mode of payment. The check must be dated as of the date of submission of the Application, made payable to "[●]," and crossed

“Payee’s Account Only.” Checks subject to clearing periods of over one (1) Business Day shall not be accepted.

The applications and required documents (including proof of payments) shall be transmitted to the Receiving Agent by electronic mail at [●] on or before the end of the Offer Period, with the physical copies delivered to the Receiving Agent’s address at [●] no later than [12:00 noon] [two (2)] Business Days after the end of the Offer Period.

For more details on the Procedure for Application for the Offer, please refer to the Offer Implementing Guidelines which will be published on the PSE EDGE website prior to the start of the Offer Period.

Acceptance or Rejection of Applications for the Trading Participants and Retail Offer

Applications for the Trading Participants and Retail Offer Shares are subject to confirmation by the Domestic Underwriters and Joint Bookrunners and the final approval of the Issuer. The Issuer and the Selling Shareholder, in consultation with the Joint Bookrunners, reserves the right to accept, reject, or scale down the number and amount of Trading Participants and Retail Offer Shares covered by any Application. The Issuer, the Selling Shareholder and the Domestic Underwriters and Joint Bookrunners have the right to reallocate available Offer Shares in the event that the Offer Shares are insufficient to satisfy the total Applications received. The Offer Shares will be allotted in such a manner as the Issuer, the Selling Shareholder and the Domestic Underwriters and Joint Bookrunners may, in their sole discretion, deem appropriate, subject to distribution guidelines of the PSE.

An Application, once accepted and approved by the Issuer through the Receiving Agent and in conformity with the Domestic Underwriters and Joint Bookrunners, shall constitute a binding and effective agreement between the applicant, the Issuer and the Selling Shareholder for the subscription or purchase of the Offer Shares in the number approved by the Issuer at the time, notwithstanding any provision to the contrary as may be found in the Application, this Prospectus, and other offer-related document and subject to (a) the conditions set forth there; (b) receipt by the Issuer of the appropriate payment in good cleared funds from the applicant; (c) the successful listing of the Offer Shares on the PSE; and (d) upon the underwriting and purchase obligations of the Domestic Underwriters and Joint Bookrunners becoming unconditional and not being suspended, terminated or cancelled, on or before such listing. Notwithstanding the acceptance of any Application, the actual issuance of the Offer Shares to an applicant shall take place only upon the listing of the Offer Shares on the PSE.

Subject to the right of the Company to withdraw or cancel the offer and sale of the Offer Shares prior to the Listing Date pursuant to the Withdrawal of the Offer section of the Prospectus, the Issuer and any of its agents involved in the Offer undertake to comply with all conditions that are within the control of the Company and any of its agents involved in the Offer, to ensure the listing of the Offer Shares on Listing Date.

Applications may be rejected if (i) the subscription price is unpaid; (ii) payments are insufficient or where checks, as applicable, are dishonored upon first presentment; (iii) the Applications are not received by the Receiving Agent or the Domestic Underwriters and Joint Bookrunners on or before the end of the Offer Period; (iv) the number of Offer Shares subscribed is less than the minimum amount of subscription; (v) the Applications do not comply with the terms of the Offer; (vi) the sale of the offer Shares will result in a violation of foreign ownership and single entity ownership restrictions; (vii) the Applicant is not an Eligible Investor; (viii) the Applications do not have sufficient information as required in the

application form or are not supported by the required documents; (ix) the underwriting agreement is suspended, terminated or cancelled on or before the Listing Date; (x) there exists a legal restriction prohibiting the acceptance or consummation of the Application; (xi) the Issuer will suffer actual or potential prejudice if the Application, by itself or together with any other Application, is accepted; (xii) the Applicant is currently the subject or the target of any sanctions administered or enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council the European Union, His Majesty’s Treasury, or other relevant sanctions authority; (xiv) the Applicant, to the knowledge of any of the Domestic Underwriters and Joint Bookrunners, (a) used any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (b) made or committed an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or controlled entity, or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (c) violated or is in a violation of any provision of the Anti-Graft and Corrupt Practices Act (Republic Act No. 3019), Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”) or the rules or regulations thereunder, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti- corruption laws; or (d) made, offered, agreed, requested or committed an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit, or (xv) as otherwise set out in the Offer Implementing Guidelines.

Notwithstanding the acceptance of any application, the actual acquisition of or subscription to the Trading Participants and Retail Offer Shares by an applicant will be effective only upon the crossing and listing of the Trading Participants and Retail Offer Shares on the PSE.

Submission of the completed Application to the relevant Selling Agent or the Domestic Underwriters and Joint Bookrunners shall constitute an instructions and authority by the applicant to the Issuer, the Selling Shareholder, and/or the Domestic Underwriters and Joint Bookrunners to execute any application form or other documents and generally to do all such other things as the Company, the Selling Shareholder, and/or the Domestic Underwriters and Joint Bookrunners may consider necessary or desirable to effect the registration in the name of the applicant of the Offer Shares applied for, or any lesser number in respect of which an Application may be accepted in the Stock and Transfer Book of the Company.

**Withdrawal of the
Offer.....**

The Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company’s or Joint Bookrunners inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Bookrunners, or any other entity/ person to take up any Offer Shares remaining after the Offer Period.

	The Company reserves the right to withdraw the Offer at any time before the execution of the underwriting agreements, in which event the Company will make the necessary disclosures to the Philippine SEC and PSE.
Refunds for the Trading Participants and Retail Offer	In the event that the number of Offer Shares to be received by an Applicant, as confirmed by the Domestic Underwriters and Joint Bookrunners, is less than the number covered by its Application, or if an Application is rejected by the Issuer, then the Receiving Agent shall refund, without interest, within [five (5) Business Days] from the end of the Offer Period, all or a portion of the payment corresponding to the number of Offer Shares wholly or partially rejected. All refunds shall be made through the Receiving Agent, at the Applicant's risk. Check refunds shall be available for pick-up at the office of the Receiving Agent within five (5) Business Days after the end of the Offer Period. If such check refunds are not claimed after 30 days following the beginning of the refund period, such checks shall be mailed to the Applicant's registered address at the Applicant's risk. For LSIs, all refunds shall be made directly to the LSI Applicants unless respective LSI Applicants' nominated PSE Trading Participants consented to process LSI refunds. In that case, all refunds may be made through the nominated PSE Trading Participant, at the LSI Applicant's risk. The refunds will be processed by the Receiving Agent directly to the nominated PSE Trading Participant by transferring immediately available funds to the relevant bank account of, or via check to, each relevant nominated PSE Trading Participant in such amount representing the total refund due to all the clients of the relevant PSE Trading Participant on or before the fifth (5th) Business Day after the end of the Offer Period. The affected LSI Applicants may coordinate directly with their respective nominated PSE Trading Participant, as indicated in the submitted LSI Application. In case of rejected or scaled down Applications to Purchase the Offer Shares, the concerned Trading Participants shall be notified by the Receiving Agent no later than one business day from the end of the Offer Period or on [September 15]. In such a case, check refunds, without interest, shall be available for pick-up within five business days from the end of the Offer Period or on [September 22] at the office of the Receiving Agent. Likewise, rejected Applications to Purchase shall be made available for pick-up at the said office of the Receiving Agent within five business days from the end of the Offer Period or on [September 22]. All refunds shall be made without interest through the Receiving Agent, at the Participating Trading Participant's risk. The representatives of the Trading Participants claiming such check refunds or rejected Applications to Purchase are required to present an authorization letter and proper identification documents prior to the release of such check refunds or rejected Applications to Purchase.
Registration and Lodgment of Shares with PDTC	The Offer Shares will be in scripless form and are required to be lodged with the PDTC upon listing. The applicant must provide the information required for the PDTC lodgment of the Offer Shares. The Offer Shares will be lodged with the PDTC. Investors may maintain the Offer Shares in scripless form or opt, at their own cost and expense, to have the stock certificates issued to them by requesting an upliftment of the relevant Offer Shares from the PDTC's electronic system after the Offer Shares are listed on the PSE.
Registration of Foreign Investments	The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP only if the foreign exchange needed to service capital repatriation or dividend

	remittance will be sourced from the Philippine banking system. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See the section entitled <i>“Regulatory and Environmental Matters—Other Laws—Registration of Foreign Investments and Exchange Controls”</i> in this Prospectus.														
Tax Considerations	See the section entitled <i>“Taxation”</i> in this Prospectus for information on the Philippine tax consequences of the purchase, ownership, and disposal of the Offer Shares.														
Expected Timetable.....	The timetable of the Offer is expected to be as follows: <table> <tr> <td>Pricing Date</td><td>[September 4], 2025</td></tr> <tr> <td>Notice of final Offer Price to the PSE and SEC</td><td>[September 5], 2025</td></tr> <tr> <td>Receipt of Permit to Sell from the SEC</td><td>[September 8], 2025</td></tr> <tr> <td>Offer Period</td><td>[September 9] to [September 15], 2025</td></tr> <tr> <td>Submission of Firm Order and Commitments by PSE Trading Participants</td><td>11:00 a.m. on [September 11], 2025</td></tr> <tr> <td>Trading Participants and Retail Offer Settlement Date</td><td>12 noon on [September 15], 2025</td></tr> <tr> <td>Settlement Date and Listing Date of Shares on the PSE</td><td>[September 19], 2025</td></tr> </table> The dates included above are subject to the approval of the PSE and the Philippine SEC, market, and other conditions, and may be changed. If, for any reason, any day of the above periods or dates is a not a Business Day, then such period or date may be extended or moved, as the case may be, to the next immediately succeeding Business Day, or such other date as may be agreed upon by the Issuer and the Joint Bookrunners. Notice of any adjustment to the Listing Date shall be made by publication by the Issuer in two newspapers of general circulation, provided that any adjustment to the Listing Date shall be subject to the approval of the PSE.	Pricing Date	[September 4], 2025	Notice of final Offer Price to the PSE and SEC	[September 5], 2025	Receipt of Permit to Sell from the SEC	[September 8], 2025	Offer Period	[September 9] to [September 15], 2025	Submission of Firm Order and Commitments by PSE Trading Participants	11:00 a.m. on [September 11], 2025	Trading Participants and Retail Offer Settlement Date	12 noon on [September 15], 2025	Settlement Date and Listing Date of Shares on the PSE	[September 19], 2025
Pricing Date	[September 4], 2025														
Notice of final Offer Price to the PSE and SEC	[September 5], 2025														
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Submission of Firm Order and Commitments by PSE Trading Participants	11:00 a.m. on [September 11], 2025														
Trading Participants and Retail Offer Settlement Date	12 noon on [September 15], 2025														
Settlement Date and Listing Date of Shares on the PSE	[September 19], 2025														
Stock Transfer Agent.....	Stock Transfer Service, Inc.														
Receiving Agent	Stock Transfer Service, Inc.														
Escrow Agent	UnionBank Investment Management and Trust Corporation														
Philippine Counsel for the Company and the Selling Shareholder	Romulo Mabanta Buenaventura Sayoc & de los Angeles														
Philippine Counsel for the Underwriters.....	Martinez Vergara & Gonzalez Sociedad														
International Counsel for the Joint Bookrunners.....	Latham & Watkins LLP														
Independent Auditors	SyCip Gorres Velayo & Co. a member firm of Ernst & Young Global Limited.														

Risks of Investing

Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. These risks are discussed in the section entitled “*Risk Factors*” in this Prospectus and include: (i) risks relating to us and our business; (ii) risks relating to our expansion plans; (iii) risks relating to the Philippines; (iv) risks relating to the Offer and the Offer Shares; and (v) risks relating to the certain information in this Prospectus.

For a more detailed discussion on these risks, see “*Risk Factors*” beginning on page 27, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Offer Shares. The Offer Shares are offered solely on the basis of the information contained in the Prospectus.

SUMMARY FINANCIAL INFORMATION

The following tables present the summary of financial information and should be read in conjunction with the independent auditors' reports and our financial statements, including the notes thereto, included elsewhere in this Prospectus, and the section entitled "Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations." The summary financial information as of December 31, 2024 and 2023 and for each of the years in the period ended December 31, 2024, 2023 and 2022 and as of March 31, 2025 and for the three months period ended March 31, 2025 and 2024 were derived from our audited financial statements, which were prepared in accordance with PFRS Accounting Standards and were audited by SGV in accordance with the Philippine Standards on Auditing.

The summary financial information below is not necessarily indicative of the results of future operations. Furthermore, the translation of Philippine Peso amounts into U.S. dollars is provided for convenience only and is unaudited. Amounts in Philippine Pesos were converted to U.S. dollars using the BSP Reference Rate as of March 31, 2025 of ₱57.38= U.S.\$1.00.

SUMMARY STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
	<i>(in million, except for earnings per share)</i>						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
REVENUE							
Gaming	7,396.7	10,175.7	10,988.2	191.5	3,032.9	3,001.2	52.3
Rooms	564.2	771.8	891.8	15.5	199.0	244.1	4.3
Food and beverage	666.5	727.2	663.0	11.6	149.9	159.1	2.8
Other operated departments	12.1	18.6	29.3	0.5	1.3	15.0	0.3
	8,639.5	11,693.3	12,572.3	219.1	3,383.1	3,419.4	59.7
OPERATING COSTS AND EXPENSES							
License and royalty fees	1,551.8	1,760.7	1,879.9	32.8	503.0	493.4	8.6
Personnel costs	1,000.6	1,446.6	1,730.9	30.2	444.5	442.1	7.7
Depreciation and amortization....	1,473.4	1,788.8	1,684.3	29.4	406.0	399.5	7.0
Advertising and promotions	636.2	1,098.2	1,232.0	21.5	369.6	214.6	3.7
Rental	692.4	768.1	820.9	14.3	213.0	208.9	3.6
Taxes and licenses	404.0	649.2	736.3	12.8	194.5	180.8	3.2
Cost of sales	500.4	556.9	556.4	9.7	125.2	121.5	2.1
Outside services and charges	194.8	268.9	360.6	6.3	73.1	90.0	1.6
Utilities	231.1	228.2	311.7	5.4	61.0	82.9	1.4
Software and hardware maintenance	49.6	90.2	170.4	3.0	24.9	44.6	0.8
Operating supplies	146.5	103.0	179.8	3.1	46.3	40.4	0.7
Repairs and maintenance	25.9	28.4	53.4	0.7	12.8	13.2	0.2
Communication and transportation	31.4	29.9	37.5	0.9	7.2	10.7	0.2
Provision for (reversal of) expected credit losses	0.5	1.5	2.5	0.0	(0.0)	(0.0)	(0.0)
Others	235.4	207.0	229.7	4.0	54.3	36.1	0.6
	7,174.0	9,025.5	9,986.4	174.1	2,536.3	2,378.7	41.4
OTHER INCOME (CHARGES)							
Interest expense	(1.7)	(211.9)	(890.8)	(15.6)	(231.7)	(203.9)	(3.5)
Finance charges	(18.3)	(18.7)	(73.5)	(1.3)	(23.8)	(11.3)	(0.2)
Foreign exchange gain – net	24.9	41.8	44.4	0.8	21.4	5.6	0.1
Interest income	18.1	37.4	41.3	0.7	10.1	11.4	0.2
Others – net	1.2	2.1	1.6	0.03	0.5	0.5	0.0
	24.2	(149.3)	(877.0)	(15.3)	(223.5)	(197.5)	(3.5)
INCOME BEFORE INCOME TAX	1,489.7	2,514.8	1,708.9	29.8	624.2	843.0	14.7
PROVISION FOR INCOME TAXES							
Current	0.6	2.1	0.0	0.0	0.2	0.0	0.0

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
	<i>(in million, except for earnings per share)</i>						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Deferred.....	(0.1)	1.6	1.5	0.0	0.1	0.9	0.0
	<u>0.5</u>	<u>3.7</u>	<u>1.5</u>	<u>0.0</u>	<u>0.3</u>	<u>0.9</u>	<u>0.0</u>
NET INCOME.....	<u>1,489.2</u>	<u>2,514.8</u>	<u>1,707.4</u>	<u>29.8</u>	<u>623.9</u>	<u>842.3</u>	<u>14.7</u>
OTHER COMPREHENSIVE INCOME (LOSS)							
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>							
Remeasurement income (loss) on defined benefit obligation, net of tax.....	(53.1)	74.8	(3.7)	(0.1)	2.0	2.0	0.0
TOTAL COMPREHENSIVE INCOME.....	<u>1,436.1</u>	<u>2,589.6</u>	<u>1,703.7</u>	<u>29.7</u>	<u>625.9</u>	<u>844.4</u>	<u>14.7</u>

SUMMARY STATEMENTS OF FINANCIAL POSITION

	As of December 31,				As of March 31,	
	2022	2023	2024	2024	2025	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)
	(in million)					
	₱	₱	₱	U.S.\$	₱	U.S.\$
ASSETS						
Current Assets						
Cash.....	1,967.7	2,415.2	2,099.8	36.6	1,616.5	28.2
Trade and other receivables – net.....	134.3	264.7	231.3	4.0	209.9	3.7
Amounts owed by related parties	40.6	72.4	545.7	9.5	599.9	10.5
Inventories – at cost.....	128.6	110.9	144.9	2.5	122.8	2.1
Other current assets	587.1	919.0	1,010.9	17.6	1,048.1	18.3
Total Current Assets	2,858.3	3,782.2	4,032.6	70.2	3,597.1	62.8
Noncurrent Assets						
Property and equipment – net ...	19,310.0	21,371.2	24,732.9	431.0	25,555.0	445.4
Right-of-use assets – net	1,550.5	1,540.7	1,516.7	26.4	1,524.6	26.6
Other noncurrent assets	207.3	1,053.4	3,487.5	60.8	4,221.4	73.6
Total Noncurrent Assets	21,067.8	23,965.3	29,737.1	518.2	31,301.0	545.5
Total Assets	23,926.1	27,747.5	33,769.7	588.4	34,898.1	608.4
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable	2,036.2	2,385.5	2,572.0	44.8	2,124.8	37.0
Accrued expenses and other payables.....	2,412.4	1,935.8	1,800.2	31.4	2,157.3	37.6
Short-term loans.....	–	–	595.0	10.4	1,300.0	22.7
Current portion of long-term loans	1,202.6	1,440.2	1,434.1	25.0	1,434.2	25.0
Current portion of lease liabilities.....	104.8	118.7	124.0	2.2	126.6	2.2
Amounts owed to related parties	2,065.3	–	–	–	–	–
Total Current Liabilities	7,821.2	5,880.2	6,525.3	113.8	7,142.9	124.5
Noncurrent Liabilities						
Long-term loans – net current portion	8,180.7	11,299.1	14,688.8	256.0	14,318.8	249.5
Retirement obligation.....	131.0	95.7	121.5	2.1	125.8	2.2
Lease liabilities – net of current portion	1,582.5	1,670.7	1,759.1	30.7	1,790.6	31.2
Deferred tax liabilities	0.2	1.9	3.3	0.1	4.2	0.1
Total Noncurrent Liabilities	9,894.4	13,067.4	16,572.7	288.9	16,239.4	283.0
Total Liabilities.....	17,715.7	18,947.6	23,098.1	402.5	23,382.3	407.5
Equity						
Capital stock.....	30.0	30.0	200.0	3.5	200.0	3.5
Remeasurement gain (loss) on defined benefit obligation ..	(56.4)	18.4	14.7	0.3	16.7	0.3
Retained earnings	6,236.9	8,751.6	10,456.9	182.2	11,299.3	196.9
Total Equity.....	6,210.5	8,800.0	10,671.6	186.0	11,516.0	200.7

SUMMARY STATEMENTS OF CASH FLOWS INFORMATION

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(in million)						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Net cash generated from operating activities	5,229.4	3,372.8	3,218.4	56.1	717.0	1,526.4	26.6
Net cash used in investing activities	(5,409.1)	(3,711.2)	(6,655.6)	(116.0)	(1,040.3)	(2,005.4)	(34.9)

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(in million)						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Net cash generated from financing activities	1,432.6	783.1	3,122.1	54.4	1,322.7	(0.9)	0.0
Net increase (decrease) in cash ..	1,252.9	444.7	(315.1)	(5.5)	999.4	(479.9)	(8.4)
Effect of exchange rate.....	1.1	2.8	(0.3)	0.0	(0.9)	(3.4)	(0.1)
Cash beginning of year/period	713.6	1,967.7	2,415.2	42.1	2,415.2	2,099.8	36.6
Cash at end of year/period	1,967.7	2,415.2	2,099.8	36.6	3,413.7	1,616.5	28.2

SUMMARY OF SELECTED OPERATING DATA

	As of and for the years ended December 31,			As of and for the three months ended March 31,	
	2022	2023	2024	2024	2025
Net Income (₱ millions).....	1,489.2	2,514.8	1,707.4	623.9	842.3
EBITDA ⁽¹⁾ (₱ millions)	2,970.3	4,523.5	4,372.9	1,270.3	1,466.2
EBITDA Margin ⁽²⁾	34.4%	38.7%	34.8%	37.5%	42.9%
Return-on-Assets ⁽³⁾	6.2%	9.1%	5.1	1.8%	2.4%
Debt-to-Equity Ratio ⁽⁴⁾	2.9	2.2	2.2	2.2	2.0
Current Ratio ⁽⁵⁾	0.4	0.6	0.6	0.6	0.5
Asset-to-Equity Ratio ⁽⁶⁾	3.9	3.2	3.2	3.2	3.0
Return-on-Equity ⁽⁷⁾	24.0%	28.6%	16.0%	5.8%	7.3%

Notes:

(1) EBITDA is calculated as net income + depreciation and amortization + interest expense - foreign exchange gain/loss – net +/- other expense/income + finance charges +/- provision for/benefit from income tax.

(2) Calculated as EBITDA / revenue.

(3) Calculated as net income/ average total assets. Average total assets is calculated as the sum of the amounts at the beginning and end of the period divided by two.

(4) Calculated as total liabilities/total equity.

(5) Calculated as current assets/current liabilities.

(6) Calculated as total assets/total equity.

(7) Calculated as net income/average shareholders' equity. Average total equity is calculated as the sum of the amounts at the beginning and end of the period divided by two.

CALCULATION OF EBITDA

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024		2024	2025	
	(in millions)						
	P	P	P	U.S.\$	P	P	U.S.\$
Net Income	1,489.2	2,514.8	1,707.4	29.8	623.9	842.3	14.7
Add/(Deduct):							
Depreciation and amortization	1,473.4	1,788.8	1,684.3	29.4	406.0	399.5	7.0
Interest expense	1.7	211.9	890.8	15.6	231.7	203.9	3.5
Foreign exchange gain (loss) - net	(24.9)	(41.8)	(41.3)	(0.7)	(21.4)	(5.6)	(0.1)
Other expense ⁽¹⁾	12.2	27.4	56.7	1.0	6.0	14.1	0.2
Finance charges	18.3	18.7	73.5	1.3	23.8	11.3	0.2
Benefit from (provision for) income tax	0.5	3.7	1.5	0.00	0.3	0.9	0.0
EBITDA	2,970.3	4,523.5	4,372.9	76.3	1,270.3	1,466.2	25.6

Note:

(1) Other expense refers to pre-operating expenses attributable to HDC. Please refer to Note 23 to our audited consolidated financial statements for further information.

RISK FACTORS

An investment in the Offer Shares involves a number of risks. You should carefully consider all the information contained in this Prospectus, including the risk factors described below, before deciding to invest in the Offer Shares. The occurrence of any of the following events, or other events not currently anticipated, could have a material adverse effect on our business, prospects, financial condition, results of operations, the market price of the Offer Shares and our ability to make dividend distributions to our shareholders. All or part of an investment in the Offer Shares could be lost. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. Our past performance is not a guide to our future performance. There may be a large difference between the buying price and the selling price of the Offer Shares. For investors that deal in a range of investments, each investment carries a different level of risk.

This section does not purport to disclose all of the risks and other significant aspects of investing in the Offer Shares. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. Investors should undertake independent research and study the trading of securities before commencing any trading activity. You should seek professional advice if you are uncertain of, or have not understood, any aspect of this Offer or the nature of risks involved in purchasing, holding and trading the Offer Shares. You should consult your own counsel, accountant and other advisors as to the legal, tax, business, financial and related aspects of an investment in the Offer Shares.

The risk factors discussed in this section are of equal importance and are separated into categories for ease of reference only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risks or of the scope of any potential harm to our business, results of operations, financial condition and prospects.

RISKS RELATING TO US AND OUR BUSINESS

Our gaming operations are dependent on the Gaming License and any other authorizations issued by PAGCOR.

A gaming license issued by PAGCOR is required before a company is authorized to operate a casino in the Philippines. As such, the continued operation of our casino and any planned expansions are dependent on the gaming license issued by PAGCOR to HPI, a subsidiary of the Company, on July 31, 2019, as amended (the “**Gaming License**”). The Gaming License imposes certain requirements with which we must comply with. These requirements include, among others, the requirements to maintain a certain debt-to-equity ratio and to remit license fees computed as a percentage of our Gross Gaming Revenue (“**GGR**”) to PAGCOR monthly. If for any reason, the terms of our Gaming License are materially altered, suspended, or revoked, our casino operations, and our integrated tourism development business, will be adversely affected. There can be no assurance that we would be able to comply with all of the ongoing requirements of our Gaming License in the future, which may result in PAGCOR altering, modifying, suspending or revoking our Gaming License, any of which would have a material adverse effect on our business, financial condition and results of operations.

In addition, certain provisions and requirements of the Gaming License are open to different interpretations or made subject to more detailed interpretative rules. There is no guarantee that our proposed mode of compliance with these or other requirements of the Gaming License will be free from administrative or judicial scrutiny in the future. Any difference in interpretation between PAGCOR and us with respect to the Gaming License could result in sanctions against us, including fines or other penalties, such as suspension or termination of the Provisional License. Moreover, if we are found to be in violation of any provision of applicable anti-money laundering laws in the Philippines, PAGCOR may terminate our Gaming License. See “*Regulatory.*”

As we expand our gaming offerings, we may be required to secure authorizations or accreditations from PAGCOR, which may likewise be subject to guidelines or conditions. For example, we received HPI’s accreditation as a “Gaming System Service Provider of Electronic (eCasino) Games” from PAGCOR allowing us to commence our Hann Live Online gaming platform to offer remote and online gaming such as E-Casino games, which are subject to compliance of certain conditions and guidelines issued by PAGCOR.

Further, there can be no assurance that PAGCOR will not withhold certain approvals from us in order to favor its own gaming operations. As a result of the above, PAGCOR could exercise significant control over and influence our gaming operations, which could adversely affect our business, financial condition and results of operations.

The Philippine gaming industry is highly regulated, and authorities, such as the PAGCOR and the CDC, may exercise significant control over our gaming operations.

The Philippine gaming industry is highly regulated and our Gaming License requires a number of periodic approvals from and reports to PAGCOR. Moreover, because PAGCOR is also an operator of casinos and gaming establishments in the Philippines, it is possible that conflicts in relation to PAGCOR's operating and regulatory functions may exist or may arise in the future. Any of the foregoing could adversely affect our business, financial condition and results of operations.

In addition to PAGCOR licenses and approvals, we are required to obtain approvals, permits, certificates and licenses from various Government and local government agencies in relation to labor, public works, safety, fire, buildings and health. We may be unable to obtain all required approvals, permits, certificates and licenses or renewals thereof or requirements may be imposed that prove unduly onerous, which could adversely affect our business.

Moreover, our casino management systems and gaming equipment are required to be certified by accredited third parties and licensed by the PAGCOR and the CDC. Our compliance with strict standards of fairness, security, anti-money laundering and responsible gaming is mandatory, involving regular audits and financial reporting. Our failure to comply may result in the revocation of our Gaming License, fines or penalties under prevailing laws and regulations, operational disruptions, reputational harm or increased costs, which could adversely affect our operations, financial performance and profitability.

Other authorities or regulatory bodies may also impose regulations which may impact the gaming industry and our business. For example, we are aware of potential regulations that may be issued by the Bangko Sentral ng Pilipinas ("BSP") relating to the restriction of using certain payment methods for online gaming-related transactions. If any such regulations are implemented, our business, financial condition and results of operations may be adversely affected.

We may be subject to foreign laws with potential extraterritorial implications, which could expose some of our key officers to investigation or liability, which could materially impact our business, prospects, financial condition and results of operations.

In certain jurisdictions, wagering, betting and gambling may be expressly prohibited by law, with potential extraterritorial implications. These activities might be completely legal in one jurisdiction, such as the Philippines, and may be found in violation of laws in another jurisdiction. For example, the Korean Criminal Code explicitly bans all forms of gambling and the operation of gambling businesses by Korean nationals even outside the Republic of Korea, unless such outside activities are legal in the country in which they operate. A Korean national may also be investigated under the Korean Criminal Code if he or his overseas gambling business specifically targets Korean nationals, including aiding and abetting such activities that may result in negatively impacting Korean national security or public order and welfare as determined by Korean authorities on a case-by-case basis.

While we conduct our gaming operations in the Philippines in compliance with Philippine laws and our Gaming License, we engage independent third-party gaming promoters, including Korean junket operators, to promote our gaming activities to our VIP patrons, which may include Korean nationals. Although our operations and marketing efforts do not specifically target Korean nationals, we cannot guarantee that our Korean junket operators might not, intentionally or inadvertently, violate the Korean Criminal Code by specifically targeting their gaming promotions towards them. If our gaming operations are used for illegal or improper purposes, resulting in a potential violation of the Korean Criminal Code, our Korean officers or directors may face investigations, enforcement actions, prosecution, or secondary liability in Korea if they are found to be aiding or abetting such activities. Any threatened or actual claims, including negative publicity, could damage our reputation, and any resulting liabilities could materially and adversely impact our business, prospects, financial condition, and results of operations.

We conduct our gaming and hotel business on leased properties.

We do not own the land or the buildings comprising the site for our casino and hotels. As an enterprise within the Clark Freeport Zone, we are not permitted to purchase any of the properties on which our businesses are being

operated. The CDC is the registered owner of all the parcels of land within the Clark Freeport Zone, and our affiliate, Widus International Leisure, Inc. (“**WILI**”), enters into lease agreements with the CDC for the leasehold rights over the properties comprising our casino and hotel until October 30, 2056, which may be renewed for a period of 25 years. We sublease such properties from our affiliate for a period of six years, which is renewable upon the mutual agreement of the parties.

In any lease relationship with respect to a parcel of land and buildings, numerous potential issues or causes for disputes may arise between the parties, such as with respect to the provision of utilities on the premises, including water and electricity, and the maintenance and repair of the buildings. If any issues or concerns arise with respect to the lease relationship between the parties, we may be involved in a dispute concerning the interpretation of provisions of these lease agreements, which may include ejectment from the premises. While we have not encountered any issues with respect to our lease relationship with WILI, nor are we aware of any issues between WILI and the CDC, any prolonged or substantive dispute, or any dispute arising under the lease agreement, could have a material adverse effect on our operations, business, financial condition and results of operations. In addition, any negative publicity arising from non-compliance by the CDC with the lease terms, including loss of essential services to the buildings or from any disputes could cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

Furthermore, the lease agreement between WILI and CDC, and our sublease with WILI, may be terminated under certain circumstances, including the non-payment of rent, or if either party fails to substantially perform any material covenants under the lease agreement. Any termination could cause a material adverse effect on the Company’s business and prospects, financial condition, results of operation and cash flows. See “*Material Agreements*” and “*Description of Property*.”

We benefit from certain tax incentives on certain of our operations, which may be amended or modified or which may expire.

We are subject to license fees as a specific percentage of GGR from VIP tables, Mass Market tables, electronic gaming machines (“**EGMs**”), comprising slot machines and Electronic Table Games (“**ETGs**”), and junket operations as provided for under the Gaming License. We were also issued a Certificate of Registration and Tax Exemption (“**CORTE**”) and a Permit-to-Operate as a Clark Special Economic Zone enterprise which grants us the incentive and privilege of paying 5.0% tax on gross income earned in lieu of national and local taxes, and an entitlement to tax emption and duty-free importation of casino and other gaming equipment, including supplies and materials necessary and directly related to our business. The loss of any of our incentives or other material changes to our privileges under the Gaming License and the CORTE could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We face significant competition in Clark, the Philippines and elsewhere in Asia, which could limit our ability to maintain or increase our market share and maintain or increase our profitability.

The gaming, hospitality, leisure and integrated tourism resort industry is highly competitive. Our competitors include some of the largest gaming, hospitality, leisure and resort companies in the world. Some of these current and future competitors are and could be larger than us and may have more diversified resources and greater access to capital to support their developments and operations. In the Philippine gaming market, we compete with both Philippine and foreign owned hotels and resorts. In Clark, our competitors have opened and likewise operate integrated gaming, hospitality and tourism resorts close to where Hann Casino Resort is located. See “*Business—Competition*.”

We also expect to compete with PAGCOR-operated gaming facilities across the Philippines, as well as other private casino and gambling operations, including seven licensed private casino operators in special economic zones and other competitors specializing in online gaming, horse racing, cockfighting, lotteries, sweepstakes and other smaller-scale gaming operators. To the extent that PAGCOR further develops its existing gaming establishments or opens or grants licenses for new gaming establishments, there could be a material adverse effect on our business, financial condition and results of operations.

We also compete to some extent with casinos located in other countries, such as Macau, Singapore, Malaysia, South Korea, Vietnam, Cambodia, Australia, New Zealand and elsewhere in the world, including Las Vegas and Atlantic City in the United States, and in the future, proposed developments in Japan and the United Arab Emirates, among others. Certain other markets, such as Taiwan and Thailand, may also in the future legalize casino gaming. In particular, Macau has built a strong reputation as a premier gaming destination within Asia with multinational gaming operators establishing large integrated tourism resorts. There are also large-scale integrated

tourism resort and gaming complexes in Singapore which have further increased competition in the region. We also compete with other online gaming and sports betting websites, cruise ships operating out of Hong Kong and other areas of Asia that offer gaming. The proliferation of gaming venues in Asia could have a material adverse effect on our business, financial position, and results of operations.

The online gaming industry is highly competitive, and as a result, we may fail to attract and retain customers.

The online gaming industry is highly competitive and a number of companies offer products and services that are similar to our online gaming offerings. The majority of our current and potential competitors have longer operating histories, significantly greater financial, technical and marketing resources, greater name recognition, broader or more integrated product offerings, larger technical staffs and a larger installed customer base. These competitors may be able to respond more quickly to new or emerging technologies and changes in customer requirements, develop superior products, and devote greater resources to the development, promotion and sale of online gaming operations.

Because of the rapid growth of the gaming industry, and the relatively low capital barriers to entry in the software industry, we expect additional competition from other established and emerging gaming companies. Additionally, our competitors could combine or merge to become more formidable competitors or may adapt more quickly than we can to new technologies, evolving industry trends and changing customer requirements.

Our ability to grow our revenue in the future will depend largely on our ability to attract new customers to our offerings and retain and engage existing customers, as well as continued user adoption of online gaming more generally. Growth in the online gaming industries and the level of demand for, and market acceptance of, our offerings will be subject to a high degree of uncertainty. We cannot guarantee that customers will continue to adopt our offerings at their current levels or increase in the future, that the industry will achieve more widespread acceptance or that we will retain our customers if we are unable to keep pace with technological innovation and customer demands.

The hotel industry in Clark is competitive, and if we are unable to compete successfully, our financial condition and results of operations may be harmed.

The hotel industry in Clark is competitive. While our integrated resort development offers gaming and other services that some other hotels in Clark do not have, other hotel operators nevertheless compete with us for customers. We believe that we compete primarily based on location, room rates, brand recognition, quality of accommodations, geographic coverage, service quality, range of services, guest amenities and convenience of the central reservation system. We primarily compete with other hotels in Clark where occupancy rate was 77.9% as of 2024, according to The Innovation Group.

As our affiliate, WILL, also operates a hotel in Clark, we may also compete with our related parties. We also face competition offered on platforms such as short-term accommodation rental and serviced apartments. New and existing competitors may offer more competitive rates, greater convenience, services or amenities or superior facilities, which could attract customers away from our hotels and result in a decrease in occupancy rates and average daily room rates of our hotels. Furthermore, our typical guests may change their travel, spending and consumption patterns and choose to stay in other kinds of hotels, especially given the increase in our hotel room rates to keep pace with inflation. In addition, any increasing supply of hospitality assets in the areas we operate could negatively affect our operational and financial results. Any of these factors may have an adverse effect on our competitive position, results of operations and financial condition.

We rely on third parties to operate our hotels pursuant to management and franchise agreements with internationally recognized hotel brands and changes in the market perception of such brands may impact the desirability of the hotels to consumers.

We rely on third-party property managers and hotel operators to manage our properties. These third parties are directly responsible for the day-to-day operations of our properties with limited supervision by us, and they often have potentially significant decision-making authority with respect to those properties. These third parties may fail to manage our properties effectively or in accordance with their agreements with us, may be negligent in their performance. If any of these events occur, we could incur losses or face liabilities from the loss or injury to our property or to persons at our properties. In addition, disputes may arise between us and these third-party managers and operators, and we may incur significant expenses to resolve those disputes or terminate the relevant agreement with these third parties and locate and engage competent and cost-effective service providers to operate and manage the relevant properties.

In addition, we are also parties to hotel management and franchise agreements. If any of these events occur, our relationships with any of our hotel partners may be damaged, we may be in breach of our franchise or hotel management agreement, and we could incur liabilities resulting from loss or injury to our property or to persons at our properties. From time to time, disputes may arise between us and our third-party managers regarding their performance or compliance with the terms of the hotel management and franchise agreements, which in turn could adversely affect us. If we are unable to resolve such disputes through discussions and negotiations, we may choose to terminate our management agreement, litigate the dispute or submit the matter to third-party dispute resolution, the expense of which may be material and the outcome of which may harm our business, operating results or prospects. In addition, the termination of certain contracts may require the consent of our counter-parties, particularly when these are considered as material contracts. While our hotel management and franchise agreements are long-term contracts and are subject to renewal, such renewal may not be automatic and could be contingent upon meeting certain performance criteria or negotiating new terms, which may affect our ability to continue operations under the same agreements.

Moreover, as our hotels are from internationally-recognized brands, we believe that building brand value is critical to increased demand and the strengthening of customer loyalty. Consequently, if market recognition or the positive perception of our hotel brands is reduced or compromised, the goodwill associated with these branded hotels may be adversely affected. Our management and franchise agreements contain specific standards for, and restrictions and limitations on, the operation and maintenance of the hotels in order to maintain uniformity. We may be required to incur costs to comply with these standards and these standards could potentially conflict with our ability to create specific business plans tailored to each property and to each market. Failure to comply with these brand standards may result in termination of the applicable management or franchise agreement. If any of the foregoing were to occur, it could have a material adverse effect on our Company results of operations and financial condition.

We generate a portion of our revenues from, and are subject to risks in operating, non-gaming offerings.

We generate a portion of our revenues from non-gaming offerings and our financial performance in part depends on our ability to attract new and repeat customers to the non-gaming facilities at Hann Casino Resort. Both visitation and the level of spending at our hotels, retail shops, restaurants and other leisure and entertainment facilities are key drivers of revenues and profitability, and reductions in either could have a material adverse effect on our business, prospects, results of operations and cash flows.

Our success in non-gaming offerings depends on, among others, the effectiveness of our advertising and marketing initiatives, the attractiveness and safety of our entertainment facilities as compared to other resorts in Clark, the compliance with legal and regulatory requirements for our retail, entertainment and F&B outlets and our continued cooperation with the popular retail brands and restaurants. We cannot assure you that we will be financially successful in our non-gaming offerings or be able to maintain the average daily rate and occupancy rate at our hotels or visitation to Hann Casino Resort in general, which may adversely affect our ability to generate the cash flows that we anticipate and impact our operations and financial condition.

Our business is sensitive to the willingness or ability of visitors to travel to the Philippines and, in particular, to Clark. Acts of terrorism, crime, regional political events, natural disasters, outbreaks of epidemics or fears concerning such acts or outbreaks could cause severe disruptions in travel and reduce the number of visitors to our facilities.

The strength and profitability of our business depends on the willingness and ability of visitors to travel to the Philippines and to Clark, in particular. Terrorist and violent criminal activities in Europe, the United States, Southeast Asia and elsewhere, the military conflict between Russia and Ukraine, the Israel-Hamas conflict, and other conflicts in the Middle East, social events, natural disasters such as typhoons, tsunamis and earthquakes, and outbreaks of widespread health epidemics or pandemics, including COVID-19 outbreaks, have had and may continue to negatively affect travel and leisure expenditures, including lodging, gaming and tourism. Such occurrences could have a negative impact on travel and tourism in the Philippines. Natural disasters such as floods, typhoons, prolonged heavy rains and earthquakes, among others, could also have a negative impact on travel to the Philippines and could discourage potential customers from travelling and patronizing our resorts. We cannot predict the extent to which disruptions in travel as a result of any acts of terrorism, crime, regional political events, outbreak of hostilities or escalation of war or outbreaks of infectious diseases would adversely affect our business, financial condition, results of operations and cash flows. Any extended period of disruption or decline in travel to the Philippines or in Clark could have a material and adverse effect on our operations. See “—Risks Relating to the Philippines.”

The win rates for our gaming operations, particularly from our VIP operations, depend on a variety of factors and may be subject to volatility.

Our gaming revenues are mainly derived from the difference between our casino winnings and the winnings of casino players, which we cannot control due to the inherent element of chance in gaming. In addition to the element of chance, theoretical win rates are also affected by other factors, including players' skill, experience and financial resources, the mix of games played, the spread of table limits, the volume of bets that players place and the amount of time players spend gambling. Accordingly, our actual win rates may differ greatly over interim periods, such as from quarter to quarter, and could cause its quarterly results to be volatile.

In particular, our VIP patrons typically place large individual wagers, leading to more volatile win rates, revenues and cash flows from high-end gaming compared with other types of gaming. Such volatility may have a material impact on our revenues, cash flows and financial results. Our revenues may experience significant volatility during a particular interim period which may not be indicative of its revenues for a full year.

The factors described above, alone or in combination, have the potential to negatively impact our win rate and could materially and adversely impact our business, financial condition and results of operations.

A significant portion of our VIP patrons are from other countries in Asia. An economic slowdown in the region, or globally, could adversely affect our results of operations.

We source a significant portion of our VIP patrons (and thus revenues from such patrons) from other countries in Asia. The demand for gaming and related services and luxury amenities is dependent on discretionary consumer spending and, as with other forms of entertainment, is susceptible to downturns in global and regional economic conditions such as the recent global financial crisis. While the Asian economy in general has exhibited growth, there can be no assurance it would not be subject to slowdowns in production, consumption, availability of credit and general economic growth.

Historically, a sizeable portion of our patrons have come from outside the Philippines. Therefore, an economic downturn may reduce VIP patrons' and other patrons' willingness to travel and reduce their spending overseas, which could adversely impact our business, as foreign visitors generate a substantial portion of our revenues. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions; high energy and food prices; the increased cost of travel; weak segments of the job market; perceived or actual disposable consumer income and wealth; fears of recession and charges in consumer confidence in the economy; fears of armed conflict or future acts of terrorism. There is no guarantee that economic slowdowns or downturns will not occur in the future in Asia, that they will not be protracted and that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations.

We may not be able to procure and/or identify slot machines/games in line with customer preferences and market trends at desirable costs.

Our gaming revenue is primarily dependent on customers' spending on our slot machines. For the three years ended December 31, 2022, 2023 and 2024, our slot machine gross win amounted to ₱3,703.9 million, ₱4,347.0 million, and ₱4,639.5 million, respectively, and ₱1,218.7 million and ₱1,238.7 million, respectively, for the three months ended March 31, 2024 and 2025, representing 42.5%, 36.8%, 36.5%, 35.6% and 36.1%, respectively, of our GGR during the same periods. Our customers' spending on our slot machines is highly sensitive to rapidly changing public tastes, which may vary among people of different generations and backgrounds, and the continued success of our gaming business mainly depends on our ability to procure and/or identify popular slot machines/games.

Our gaming business depends in part on our ability to anticipate the tastes of existing and potential players. The slot machines/games we identified may not be able to gain popularity and players' attention as anticipated due to changing tastes, market trends, general economic conditions or otherwise, which could adversely affect our business. Although we are now providing slot machines with different volatility, jackpots, and playing modes, we cannot assure you that such success will continue. If we fail to effectively satisfy the evolving needs and preferences of the public, we may be required to incur additional costs to identify and/or procure slot machines which are able to meet the changing public tastes, which would have a material adverse effect on our business and results of operations. Moreover, we are subject to the risks that we may not be able to update our game themes of the slot machines in a timely manner, which could adversely affect our business.

We rely on suppliers for the supply of our gaming equipment and any interruption in supply may significantly impact our business and results of operations.

We sourced our gaming equipment, from 32 suppliers in the last three years. As of March 31, 2025, we own all of our gaming equipment. We purchased 108, 86, 249 and six gaming equipment as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. The amount of expenses for such gaming equipment was ₱287.5 million, ₱320.1 million, and ₱422.8 million, for the three years ended December 31, 2022, 2023, and 2024, and , ₱79.3 million and ₱118.6 million for the three months ended March 31, 2024 and 2025, respectively, accounting for 4.0%, 3.5%, 4.2%, 3.1% and 5.0%, respectively, of our other operating expenses for the corresponding periods. The GGR contributed by our gaming equipment was ₱7,396.7 million, ₱10,175.7 million, and ₱10,988.3 million, for the three years ended December 31, 2022, 2023, and 2024, ₱3,032.9 million and ₱3,001.2 million for the three months ended March 31, 2024 and 2025, respectively. As such, we rely on the ability, authorization and efficiency of our gaming equipment suppliers to supply slot machines for Hann Casino.

As of March 31, 2025, no purchase order had been turned down by our gaming equipment suppliers. We cannot assure you that our suppliers will not breach their contractual obligations to us, or that our agreements will not be suspended, terminated or otherwise expired without renewal. In that case, we may not be able to find alternative suppliers if they are no longer able to meet our needs at acceptable cost and/or in a timely manner. Failure to source suitable slot machines from other suppliers at acceptable cost and/or in a timely manner, or otherwise to effectively manage such events if they occur, could materially and adversely affect our business, financial condition and results of operations.

We depend on independent gaming promoters for a portion of our GGR. If we are unable to establish, maintain and increase the number of successful relationships with gaming promoters, the financial resources of our gaming promoters are insufficient to allow them to continue doing business or we are unable to find alternative means to attract VIP patrons, our results of operations could be materially and adversely impacted.

A portion of our gaming revenues is generated by clients introduced to our casino by independent gaming promoters. With the rise in gaming in the Philippines, the competition for services provided by gaming promoters has increased. We anticipate that this competition will further intensify as additional casinos are developed and expected to open in the Philippines and in Clark in the near future. While we believe that we maintain good relationships with our existing gaming promoters, there can be no assurance that these relationships will continue in the future. If we are unable to maintain or develop additional successful relationships with reputable gaming promoters or if we lose our gaming promoters to competitors, our ability to maintain or grow our GGR may be impacted and we would have to seek alternative ways of developing relationships with VIP patrons. In addition, if our gaming promoters are unable to develop or maintain relationships with a sufficient number of VIP patrons, our ability to maintain or grow our GGR may also be hampered.

A commission cap for gaming promoters was set by PAGCOR at 1.5% of net turnover for junket players. In the event PAGCOR reduces the cap on the commission rates payable to gaming promoters at a level substantially lower than the maximum we are currently permitted to pay, gaming promoters' incentives to bring travelers and VIP patrons to casinos in the Philippines, including our casino, may be diminished. In such an event, our business, financial condition and results of operations could be materially and adversely affected.

We cannot assure you that anti-money laundering policies that we have implemented, and compliance with applicable anti-money laundering laws, will be effective to prevent our casino operations from being exploited for money laundering purposes.

As an industry that is cash intensive and that generates significant amounts of revenues on a daily basis, money laundering concerns have typically been associated with the casino and gaming industries. Many jurisdictions have implemented anti-money laundering statutes and regulations to which we may potentially be subject. We deal with significant amounts of cash in our regular casino operations. As our operations are subject to various reporting and anti-money laundering regulations and increased audits and inspections from regulators, we have implemented anti-money laundering policies to address those requirements. Any further changes to anti-money laundering laws and regulations in the Philippines may require us to adopt changes to our own anti-money laundering policies.

We cannot assure you that our contractors, agents or employees will continually adhere to any such current or future policies or these policies will be effective in preventing our casino operations from being exploited for money laundering purposes.

There can be no assurance that, despite the anti-money laundering measures we have adopted and undertaken, we would not be subject to any accusation or investigation related to any possible money laundering activities. In addition, we expect to be required by relevant regulatory authorities that regulate our business activities to attend meetings and interviews from time to time to discuss our operations as they relate to anti-money laundering laws and regulations during which regulatory authorities may make inquiries and take other actions such as compliance audits at their discretion. Any incident of money laundering, accusation of money laundering or regulatory investigations into possible money laundering activities involving us, our employees, our gaming promoters, our customers or others with whom we are associated could have a material adverse impact on our reputation, business, cash flow, financial condition, prospects and results of operations. Any serious incident of, or repeated violation of, laws related to money laundering or any regulatory investigation into money laundering activities may cause a revocation or suspension of the concession. For more information regarding anti-money laundering regulations in the Philippines, see “*Regulatory and Environmental Matters—Regulation of Gaming in the Philippines.*”

Acts of theft or cheating by customers or employees of our gaming facilities could adversely affect our reputation and its results of operations.

We may be exposed to losses from theft by our employees, third-party gaming promoters, and their respective employees. There can be no assurance that any precautions we undertake will be adequate to prevent such incidents, and any significant theft could materially and adversely affect our business, financial condition and results of operations.

Certain of our customers may seek to influence their gaming returns through cheating and other fraudulent methods. We have implemented certain controls in order to minimize customers’ opportunities for fraudulent play but we must continually monitor and improve the effectiveness of such controls to counter increasingly sophisticated cheating methods. Failure to detect fraudulent activities in a timely manner, including collusion and automated play, could cause us and our customers to experience losses, harm our reputation and ability to attract customers, and materially and adversely affect its business, financial condition and results of operations.

Our casino and hotels may encounter temporary closures, reduced turnover or lower occupancy rates as a result of repairs, replacements or the redevelopment or renovation of our casino and hotels.

Our casino and hotels may require repairs and replacements from time to time, which may be time-consuming and require significant capital expenditures. Much of the infrastructure and equipment will eventually need to be replaced or significantly repaired or modernized, which could result in interruptions to our business. Our casinos and hotels may also need to undergo renovation or redevelopment works from time to time to retain their attractiveness and may also require maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations.

Such repairs, replacements, investments, redevelopments or renovations of our casinos and hotels may have a material and adverse impact on our ability to attract players and guests at the casinos and hotels and in some circumstances may require the partial or complete closure of our casino or hotels, or the restaurants or other facilities within our casino or hotels. During the period of any such repairs, replacements, investments, redevelopments or renovations, we may experience a reduction in the number of players visiting our casinos and/or occupancy rates and/or average room rates of the hotels and/or the number of customers using our restaurants and facilities. Moreover, the inconvenience caused by such activities may affect the satisfaction and experience of our players and guests, which may in turn affect their future spending behavior when they choose casinos/hotels in the future.

We face risks related to instances of food-borne illnesses, food contamination and associated liability claims.

As we provide food and beverage to our customers, we face an inherent risk of food contamination and associated liability claims. Our food quality depends partly on the quality of the food ingredients and raw materials provided by our suppliers. We may not be able to detect all defects in our supplies and food contamination could be caused by third party food suppliers or other factors which are outside of our control. Due to the scale of our operations, we also face the risk that certain of our employees may not adhere to our mandated procedures and requirements. While we have not had any reports of food poisoning, food-poisoning incidents may occur at our casinos and hotels from time to time. Any failure to detect defective food supplies or observe proper hygiene, cleanliness and other quality control requirements or standards in our operations could adversely affect the quality of the food we offer inside or outside our restaurants, which could lead to liability claims, complaints and related adverse

publicity, reduced customer traffic at our restaurants and even our casinos and hotels and the imposition against us of penalties by relevant authorities and compensation awards by courts.

Our success depends on the effective execution of our business strategies and growth plans, and any inability to do so may affect our financial condition and results of operations.

Our business strategies focus on strengthening our market position in Clark, expanding our gaming and non-gaming offerings and boosting visitation to our properties. See “*Business—Business Strategies*.” The successful execution of our business strategies and growth plans may be adversely affected by a number of factors, such as effectiveness of marketing campaigns, as well as factors beyond our control, such as slowdown in the domestic, regional and/or global economies, changes in the Philippine Government’s policies with respect to the gaming and/or tourism industries and natural disasters or epidemic diseases that impact the tourism industry in the Philippines. Any inability to successfully execute our business strategy and/or growth may have a material adverse effect on our business, condition, results of operation and prospects.

Our business depends substantially on the continuing efforts of our senior management, and our business may be severely disrupted if we lose their services.

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the business possessed by our senior management team, as well as other management personnel. We may experience changes in our key management in the future, including for reasons beyond our control. The loss of Mr. Dae Sik Han’s services or that of the other key management personnel could hinder our ability to effectively manage our business and implement our growth and development strategies. Finding suitable replacements for members of our key management personnel could be difficult, and competition for personnel of similar experience could be intense in Clark. In addition, we do not currently carry key person insurance on any members of our senior management team.

Our business depends on our ability to attract and retain a sufficient number of qualified employees to manage our operations. A limited labor supply could cause labor costs to increase.

Our business is labor intensive and, therefore, our success depends in large part on its ability to attract, train, motivate and retain a sufficient number of qualified and skilled employees to run its operations. In addition, many employees are required to possess certain gaming-related skills for which substantial training and experience are needed, and our in-house training programs may not adequately prepare our employees to successfully operate the gaming and non-gaming operations at the resort. We cannot give assurance that we would be able to successfully compete for the limited supply of qualified gaming and other personnel and to recruit, train and retain a sufficient number of qualified employees for its operations.

Increasing competition for a limited number of qualified employees could require us to raise the salaries of current employees or to pay higher wages to attract new employees, which could cause our labor costs to increase. Moreover, any number of our employees may leave and join other integrated tourism resorts or casinos. If we are unable to attract and retain a sufficient number of qualified employees, or if we encounter a significant increase in labor costs due to salary increases, our ability to compete effectively in the Philippine gaming industry and our business, financial condition and results of operations could be materially and adversely affected.

Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase, and we may not be able to obtain the same insurance coverage in the future.

Although we have an all-risk property insurance for our operating properties covering damage caused by a casualty loss (such as fire, natural disasters or certain acts of terrorism), as well as insurance coverage for areas currently under development, such as the Hann Reserve, gaming floor and F&B expansions and construction of the parking structure (the “**GCE Expansion**”), each policy has certain exclusions. Our property insurance coverage could also be in an amount that may be less than the expected full replacement cost of rebuilding the facilities if there were a total loss. Our level of insurance coverage may be inadequate to cover all possible losses in the event of a major casualty. In addition to the damage caused to our properties by a casualty loss, we may suffer business disruption as a result of these events or be subject to claims by third parties who were injured or harmed. While we carry general liability insurance and limited business interruption insurance, this insurance may not continue to be available on commercially reasonable terms and, in any event, may not be adequate to cover all losses. We may also be in breach of certain obligations in our agreements if these do not maintain certain insurance policies or if such policies do not provide adequate coverage for certain kinds of losses.

We may be unable to maintain effective internal controls, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have an internal control system in place, including monitoring systems, information technology and security systems, and will continue to develop our internal controls and risk management procedures and policies. Any system of controls can only provide reasonable, and not absolute, assurance that the objectives of the system are met. As such, we may be affected by risk arising in relation to our internal controls and risk management, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Moreover, given the dynamic nature of the gaming industry, we cannot provide assurance that there will be no new deficiencies in our internal control policies and procedures. Any such deficiency, whether material or significant, could adversely affect our management's ability to monitor, evaluate and manage our business and operations, or lead to substantial business or operational risk or inaccurate financial reporting. A failure in internal control systems, including any failure that affects our ability to accurately report GGR, may also lead PAGCOR to adversely modify or revoke our Gaming License.

Any of these failures could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may be exposed to credit risk on credit extended to gaming promoters and certain patrons.

We extend credit to gaming promoters and certain patrons whose level of play and financial resources, in the opinion of our credit committee, warrant such an extension. These extensions of credit is solely intended for gaming purposes, which we require to be secured by personal checks or promissory notes as collateral. See "Business—Gaming Operations—Credit Facilities." We may not be able to collect all of our gaming receivables from our credit players for various reasons. In particular, we may not be able to take legal action to collect gaming receivables from our patrons in jurisdictions where gaming debts are not enforceable, such as China and South Korea. Such increased credit risk or inability to collect gaming receivables could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on the performance, reputation and integrity of the third parties with whom we engage in our business activities.

The performance, reputation and integrity of the third parties with whom we engage in our business activities, such as suppliers, contractors, developers and gaming promoters, are important to our reputation and ability to successfully operate. In particular, our business depends upon partnering with reputable gaming promoters, as the Company relies upon gaming promoters to extend credit to their clients and does not extend such credit itself. See "Business—Gaming Operations—Credit Facilities." Although we endeavor, through contractual protections, due diligence and other means, to ensure that our third party contractors, suppliers and gaming promoters, among others, comply with expected standards of performance and integrity, there can be no assurance that these standards will be maintained. If any of our third party contractors, suppliers or gaming promoters fail to perform or violate Philippine laws, our operations and reputation could be materially and adversely affected.

Our failure to maintain the integrity of our customer, personal or company data, as well as breaches of our cybersecurity systems, may result in significant data losses and the theft of our intellectual property, damage our reputation, expose us to liability to third parties, regulatory fines and penalties, and require us to incur significant costs.

We face global cybersecurity threats, which may range from uncoordinated individual attempts to sophisticated and targeted measures directed at us. Cyber-attacks and security breaches may include, but are not limited to, attempts to access information, including customer and company information, computer malware such as viruses, denial of service, attacks from ransomware on our information technology system, that may lock, block access or render data, in particular, the personal data of our customers, unusable where we may be asked to make a large lump-sum payment or other consideration in order to resume the operation of our system or return the data to a usable form, operator errors or misuse, or inadvertent releases of data, and other forms of electronic security breaches.

Our business requires the collection and retention of large volumes of customer and personal data, including debit card and/or credit card numbers and other personally identifiable information in various information systems we maintain and in those maintained by third parties with whom we contract to provide data services. We also maintain important internal company data such as personally identifiable information about our employees and information relating to our operations. The integrity and protection of customer and company data are important

to us. Our collection of such customer and company data is subject to extensive regulation by private groups such as the payment card industry as well as domestic and foreign governmental authorities, including gaming authorities. In addition, our focus on integrating online and offline gaming experiences introduces new operational risks related to technology implementation and cybersecurity. The complexity of integrating different gaming systems may lead to technical challenges, potential system disruptions, and increased vulnerability to cyber threats. Any failure to effectively implement and secure our gaming platforms could result in operational disruptions, data breaches, and reputational damage, which could materially and adversely affect our business, financial condition, and results of operations. If a sophisticated cyber event occurs, our systems may be unable to satisfy applicable regulations or employee and customer expectations.

A significant theft, loss or fraudulent use of customer or company data maintained by us could have an adverse effect on our reputation, cause a material disruption to our operations and management team and result in remediation expenses (including liability for stolen assets or information, repairing system damage and offering incentives to customers or business partners to maintain their relationships after an attack) and regulatory fines, penalties and corrective actions, or lawsuits by regulators, third-party service providers, third parties that share data with us pursuant to contractual agreement and/or consumers whose data is or may be impacted. Such theft, loss or fraudulent use could also result in litigation by shareholders alleging our protections against cyber-attacks were insufficient, our response to an attack was faulty or insufficient care was taken in ensuring we were able to comply with cybersecurity, privacy or data protection regulations, protect data, identify risks and attacks, or respond to and recover from a cyber-attack, or by customers and other parties whose information was subject to such attacks. In addition, we may incur increased cybersecurity protection costs that may include organizational changes, deploying additional personnel and protection technologies, training employees and engaging third-party experts and consultants. Any of these events could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, the regulatory environment governing information, security and privacy laws is increasingly demanding and continues to evolve. As aforementioned, we could be subject to risks caused by misappropriation, misuse, leakage, falsification, system malfunction or intentional or accidental release or loss of information maintained in our information systems and networks and those of our third-party service providers. If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer regulatory consequences in addition to business consequences.

Data privacy laws in the Philippines are developing rapidly. We may therefore be potentially subject in the future to additional data protection obligations in addition to those that we are already subject to and for which we are fully compliant, which may result in additional costs.

Government enforcement actions can be costly and may interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in significant fines, reputational damage and civil lawsuits, any of which may adversely affect our business, financial condition and results of operations.

We may be subject to unionization, work stoppages, slowdowns or increased labor costs.

The Company has one registered union of dealers and pit supervisors of the table games department currently seeking certification with the Philippine Department of Labor and Employment (“DOLE”) as the single and exclusive bargaining agent of the said group of employees. As of date of this Prospectus, the application remains pending. If the application is granted, it could result in demands that may increase our operating expenses and adversely affect our profitability. If more of our employees unionize and are certified as exclusive bargaining units, then more employees will be entitled to negotiate, as part of their respective unions, on wages, benefits and working conditions. If we are unable to reach an agreement on the terms of their collective bargaining agreement or we are to experience widespread employee dissatisfaction, our business could be subject to work slowdowns or stoppages. In addition, we may be subject to disruptions by organized labor groups protesting its non-union status. Any of these events would be disruptive to our operations and could harm our business. See “*Business—Employees.*”

Certain of our credit facilities contain covenants that restrict our ability to engage in certain transactions.

Certain of our credit facilities contain financial covenants that may restrict our ability to engage in certain transactions, including the payment of dividends and certain debt and equity capital-raising transactions, and may impair our ability to respond to changing business and economic conditions. Our ability to comply with these covenants in the future may be affected by events beyond our control, including prevailing economic, financial

and industry conditions. As a result, we may not be able to comply with these covenants, including with respect to making our required payments due to insufficient cash flow. Our failure to comply with any of these covenants could result in an event of default, which will materially and adversely affect our operating results and financial condition. If there were an event of default under one of our credit facilities, it could cause all amounts outstanding with respect to that debt to become due and payable immediately. There can be no assurance that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default, or that we would be able to repay, refinance or restructure the payments on those debt securities. In addition, if we were to cease to produce cash flow sufficient to service our indebtedness, we may have to sell our assets, refinance all or a portion of our existing debt or obtain additional financing, and future indebtedness or other contracts could contain financial or other covenants more restrictive than those applicable to our existing credit facilities.

Our ability to continue to generate revenues depends to a substantial degree on the development of Clark, New Clark City and the Philippines as a tourist and gaming destination.

The integrated tourism resort and gaming industry in the Philippines is in an early stage of development and has a limited track record, and it is difficult to evaluate the attractiveness of Clark, New Clark City and the Philippines, in general, as viable tourist and gaming destinations to domestic and international visitors. Our ability to generate revenue depends to a substantial degree on the country's, in particular Clark's and New Clark City's, continued development as a tourist and gaming destination, which in turn depends on several factors beyond our control, including the Government's ability to successfully promote Clark and New Clark City as attractive tourist destinations, general promotion of the Philippines by the Philippine Department of Tourism and key tourism companies, the development of transportation and tourism infrastructure, consumer preferences and other factors in the Philippines and the region. Should the Philippines fail to continue to develop as a tourist destination or should Clark and/or New Clark City fail to become widely recognized regional tourist and gaming destinations, we may be unable to attract a sufficient number of visitors, which would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

Clark's transportation infrastructure may limit the development of Clark's gaming industry and our operations.

Clark's existing transportation infrastructure and the existing roads connected to Hann Casino Resort may not be capable to fully accommodate the potential volume of traffic. While the Government has begun constructing expressways and railways that provide access to Clark, including those from the airports to Hann Casino Resort, congestion during peak hours cannot be avoided. While the Clark International Airport is in close proximity to Hann Casino Resort, it services only a few international and domestic carriers. The Government is currently examining viable alternatives to ease traffic congestion, including investments in new highways and expressways. However, these planned measures are in preliminary stages and there is no guarantee that they will be successful or that, even if successful, they will sufficiently alleviate the deficiencies in Clark's transportation infrastructure, which could adversely affect the number of visitors to Hann Casino Resort, and would cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

Changes in public acceptance of gaming in the Philippines may adversely affect our business.

Public acceptance of gaming changes periodically in various gaming locations in the world and represents an inherent risk to the gaming industry. The risk of a decline in public acceptance is high in the Philippines due to cultural and religious reasons where churches, community groups, non-governmental organizations and individual government officials have on occasion taken strong and explicit stance against gaming. PAGCOR has in the past been subject to lawsuits by individuals opposed to the construction of casinos in their communities, and church leaders have on occasion called for PAGCOR's abolition. We cannot guarantee that negative sentiments will not be expressed in the future against us or integrated tourism resorts in general and that such expressions will not reduce the number of visitors to Hann Casino Resort and materially and adversely affect our business, financial condition and results of operations.

PAGCOR imposes regulations on casino operations that may interfere with our ability to provide services to our patrons.

In January 2016, PAGCOR issued the Casino Regulatory Manual for Clark Special Economic Zone Licensees which imposes regulations on casino layout, gaming tables, EGMs, peripheral gaming equipment, casino management system, surveillance, gaming chips and plaques, playing cards, procurement of gaming equipment and paraphernalia, movement of gaming equipment, permanent decommissioning and disposal of gaming

equipment and paraphernalia, accreditation of suppliers of gaming equipment and paraphernalia, movement of gaming equipment, casino operation rules and guidelines, chip washing and junket operations, advertising, marketing and promotions, conduct of gaming, casino player incentives, responsible gaming and the PAGCOR Monitoring Team, among others. The Casino Regulatory Manual for Clark Special Economic Zone Licensees imposes certain restrictions or limitations on our casino operations and interfere with our ability to provide services to our customers, which could adversely impact our ability to attract customers to Hann Casino Resort and our revenues, business and results of operations may be adversely affected.

We face litigation risks and regulatory disputes in the ordinary course of our business.

In the ordinary course of our business, claims and disputes may be brought against and involve us, or directors or officers, subsidiaries, employees, customers, suppliers and regulatory authorities in connection with our business. Claims may be brought for breach of contract, law, or regulation. Any claims and disputes, even if unfounded, may result in legal or other proceedings, and may result in substantial costs and diversion of resources and management attention. In addition, if any such matter, including future or potential legal or other proceedings, were to be determined against us, we would have to incur a charge against earnings to the extent a reserve had not been established for the matter in our accounts, or to the extent that the claims are not adequately covered by insurance, which could have an adverse effect on our business, financial condition, prospects and results of operations.

There is a risk of changing tax regimes on PAGCOR licensees due to differing decisions by the Supreme Court and issuances by the Philippine Bureau of Internal Revenue (“BIR”).

There is an ongoing issue between PAGCOR’s licensees and the BIR in connection with the applicable tax treatment of a licensee’s income realized from other related services/operations. Under Section P.D. No. 1869, PAGCOR’s income from gaming operations is subject to a 5% franchise tax in lieu of all other taxes, while income from other related services is subject to corporate income tax, value-added tax (“VAT”) and other applicable taxes under the National Internal Revenue Code (“NIRC”). The same law expressly extends the payment of franchise tax benefit to the contractees and licensees of PAGCOR, as further confirmed by the Philippine Supreme Court in the cases involving similar casino resorts, which clarified that while the PAGCOR’s general exemption on all other taxes after payment of the 5% franchise tax inures to the benefit of its contractees, this benefit does not extend to its licensees. As such, PAGCOR’s licensees are still subject to VAT. These rules were consolidated through the BIR Revenue Memorandum Circular No. 32-2022 (“RMC 32-2022”).

As of the date of this Prospectus, the BIR has issued Revenue Memorandum Circular No. 132-2024 (“RMC No. 132-2024”) which aligned with recent jurisprudence as to the inclusion of PAGCOR’s licensees’ income from their gaming operations in PAGCOR’s general exemption on all other taxes after payment of the 5% franchise tax. Nevertheless, the Circular is prospective in application.

Given the pattern of ongoing disputes in the Philippine courts regarding the differing interpretations of the exemptions and benefits previously discussed, which may lead to inconsistency and confusion about the applicable tax regime, potentially resulting in inaccurate accounting of income from gaming activities. Consequently, such differing interpretations could either prompt the BIR to issue assessment notices for deficiency taxes or cause us to overpay taxes to the BIR, which could have an adverse effect on our business, financial condition, prospects and results of operations.

Exchange rate and/or interest rate fluctuations may have a significant adverse impact on our business, financial condition, results of operations and prospects.

Fluctuations in the exchange rate between the Philippine Peso and foreign currencies could materially and adversely affect our business, financial condition and results of operations. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Qualitative and Quantitative Disclosure of Market Risk—Foreign Exchange Rate Risk.*” While a majority of HPI’s revenue is denominated in Philippine Peso, we are also engaged in the business of buying and/or selling foreign currencies on real time basis. Accordingly, any significant change in exchange rates may increase our expenses and the value of foreign-currency denominated assets in our statement of financial position.

We are a holding company and primarily depend on dividends and distributions from our subsidiary.

We are a holding company and conduct no significant business operations. Our gaming and hospitality businesses are operated by HPI, which we hold or are invested in. See “*Business—Corporate Structure.*”

As a holding company, we expect to depend upon the dividends and distributions from HPI for our cash flow. The majority of our assets are held by, and our earnings and cash flows are ultimately attributable to HPI. Our liquidity, ability to pay expenses, and meet obligations, are primarily dependent upon the flow of funds from HPI.

The ability of HPI to pay dividends to us is subject to applicable laws, restrictions contained in their loans, debt instruments, and/or joint venture agreements, and may also be subject to taxes.

Under Philippine law, dividends may be declared by a corporation's board of directors. However, any stock dividend declaration requires the approval of shareholders holding at least two-thirds of such corporation's total outstanding capital stock. Additionally, Philippine SEC approval is required if the issuance of stock dividends requires an increase in such corporation's authorized capital stock. There can be no assurance that HPI will generate sufficient cash flows to pay dividends or otherwise distribute sufficient funds to us to enable us to meet our financial obligations and declare dividends to our shareholders.

In addition, HPI may be subject to certain debt covenants in its loan agreements, which may affect its ability to declare or pay dividends under certain circumstances, such as in the event of default or if any such payments would result in an event of default, or if certain financial ratios are not maintained. While certain of these loan agreements contain provisions that permit recourse to us, such recourse is limited to the recovery of project cost overruns. Failure to comply with these covenants, including securing a creditor's prior consent for certain acts, could result in the debt becoming immediately due and payable. This could adversely affect our liquidity and ability to generally fund our day-to-day operations. In the event this occurs, it may be difficult to repay or refinance such debt on acceptable terms or at all.

Any restriction or prohibition on the ability of HPI to distribute dividends or make other distributions to us, either due to regulatory restrictions, debt covenants, contractual undertakings, operating or financial difficulties or other limitations, could have a negative effect on our cash flow, prospects and financial condition.

We enter into transactions with related parties.

In the ordinary course of business, we transact with our related parties, such as our subsidiary, HPI, or affiliates. These transactions have principally consisted of loans or advances, reimbursements for certain operating expenses paid by the Group, rental expense of the casino area and office space for its short term lease to WILI, trade payables or charges from WILI and monthly rental payments by HPI to WILI. While we believe that all past related party transactions have been conducted at arm's length on commercially reasonable terms, these related party transactions may involve conflicts of interest, which, although not contrary to law, may be detrimental to us. The failure of our related parties to act on fair and equitable terms may adversely affect our business and results of operation. For further information on our related party transactions, see *"Related Party Transactions"*.

In addition, on January 23, 2013, the BIR issued Revenue Regulations No. 2-2013 on Transfer Pricing Guidelines (the **"Transfer Pricing Guidelines"**) which adheres to the arm's length methodologies set out under the Organization for Economic Cooperation and Development Transfer Pricing Guidelines. The Transfer Pricing Guidelines are applicable to cross-border and domestic transactions between related parties and associated enterprises. The Transfer Pricing Guidelines define related parties as two or more enterprises where one enterprise participates directly or indirectly in the management, control, or capital of the other; or if the same persons participate directly or indirectly in the management, control, or capital of the enterprises. The arm's length principle requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party such that if two related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR can make the necessary adjustments to the taxable profits of the related parties so as to reflect the true value that would otherwise be derived on an arm's length basis. There is no assurance if the BIR will view our transactions with our related parties as arm's length on the basis of the Transfer Pricing Guidelines. There can be no assurance that our related party transactions, if questioned, will not have an adverse effect on our business or results of operations.

We are required to maintain a minimum public ownership of 20.0% following the listing of our Common Shares.

Pursuant to PSE Circular No. 2020-0076, we are required to maintain a minimum public ownership (**"MPO"**) of 20.0% of our total issued and outstanding shares following the listing of our Common Shares. Listed companies that become non-compliant with the MPO requirement will be suspended from trading for a period of not more

than six months and will automatically be delisted if they remain non-compliant with the MPO requirement after the lapse of the suspension period. Suspended or delisted shares will not be traded on the PSE. In addition, the sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax. See “*The Philippine Stock Market—Amended Rule on Minimum Public Ownership*”.

RISKS RELATING TO OUR EXPANSION PLANS

Risks and delays relating to the development of Hann Reserve and our other expansion projects could have a material adverse effect on our operations and financial performance.

We, along with our affiliates, are developing Hann Reserve, a 455.6-hectare master planned mixed-use development in New Clark City. In November 2022, we broke ground on the first phase of Hann Reserve, a luxury estate development which we expect to complete by 2027. See “*Business – Expansion Plans – Hann Reserve.*” Hann Reserve is located on property owned by the Bases Conversion and Development Authority (“BCDA”) and was leased to the Group for a period of 50 years subject to certain conditions, including that construction of the first phase should be completed by 2027.

Our inability to complete the construction of the first phase of Hann Reserve by 2027 will result in a breach of our lease agreement or an increase in our rental payments to the BCDA. The construction and development of Hann Reserve involves substantial risks that could give rise to delays and cost overruns, particularly for its first phase. Any such delays, cost overruns, unsatisfactory construction or development may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition to Hann Reserve, our ongoing and planned expansion projects, including the GCE Expansion, are subject to significant development risks, including construction delays and cost overruns. Factors such as unforeseen site conditions, changes in project scope, and shortages of labor or materials could lead to increased costs and delays in project completion. Any such delays or cost overruns could adversely impact our ability to generate anticipated revenues and achieve our strategic objectives, which could materially and adversely affect our business, financial condition, and results of operations.

We are aware of conflicting views on the ownership and possessory right of BCDA over the New Clark City.

We are aware of allegations that the construction of New Clark City threatens to displace at least 65,000 people from 12 villages, including 18,000 indigenous people belonging to the Aeta Tribe. The BCDA argues that the disputed grounds are under its ownership, as these are within a military reservation, and consequently, form part of the Clark Special Economic Zone. The BCDA has likewise raised that such indigenous communities are not displaced due to the lack of a Certificate of Ancestral Domain Title covering the contested areas. On the other hand, certain members of the Aetas Tribe argued that they have been in continuous possession of the disputed lands before Spain’s colonization of the Philippines. Moreover, members of the Aeta Tribe allege that while they have applied for a Certificate of Ancestral Domain Title, such application has not been acted on despite numerous requests. These conflicting positions may lead to future litigation matters against the BCDA, which is our lessor, and may have an impact on our business.

Further, our development of Hann Reserve in New Clark City and other potentially contentious projects, may result in adverse social outcomes and negatively impact our public perception and reputation. We may also face drawn-out litigation or other proceedings in connection with the social controversies associated with developments within the contentious portions of New Clark City. There can be no assurance that our involvement in such potential litigation will not have an adverse effect on the development of Hann Reserve, our financial condition and results of operations.

There are risks which may substantially increase the costs of completing our expansion projects and delay or prevent their opening.

The anticipated costs and targeted completion and opening date for Hann Reserve and the expansion of our gaming floors, F&B offerings and construction of our parking structure are based on indicative or proposed budgets, design, construction and fit-out plans, as well as schedule estimates.

Our expansion projects are subject to significant development risks, which could have a material adverse impact on its projected timetable and costs and our ability to complete the projects on time, within budget and to the standard required. These risks include the following:

- lack of sufficient, or delays in availability of financing;
- modifications to plans and specifications relating to their respective hotels;
- engineering problems, including defective plans and specifications;
- disagreements regarding interior construction and design plans and specifications relating to the gaming floors;
- shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation in key supply markets;
- delays in obtaining or the inability to obtain necessary permits, licenses and approvals, changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, real estate development or construction projects, or in regulatory or governmental personnel;
- labor disputes or work stoppages; disputes with and defaults or insolvency by contractors and subcontractors;
- environmental, health and safety issues, including site accidents;
- weather interferences or delays;
- floods, fires, typhoons, earthquakes or other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these development and construction risks could increase the projects' total costs, delay or prevent the construction or opening or otherwise affect the design and features of the project, and therefore delay our ability to commence operations of the projects and general revenues. For example, we sent a letter to terminate a contract with one of the third parties in connection with the development of one of the facilities of Hann Reserve due to delays and for failure to comply with obligations under our agreement. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Moreover, we anticipate a significant increase in capital expenditures to complete our expansion plans. This increase in capital spending may lead to higher depreciation expenses due to the capitalization of these assets. Consequently, our operating expenses may also rise, which would include costs such as maintenance, utilities, and staffing associated with our expansion plans, which could affect our profit margins and may impact our overall financial performance. Any failure to effectively manage these financial impacts could have a material adverse effect on our business, financial condition, and results of operations.

Failure to obtain financing on reasonable terms or at all could adversely impact the execution of our expansion and growth plans.

Our expansion and growth plans are expected to require significant fund raising. Our continued access to debt and equity financing as a source of funding for new projects, acquisitions and investments, and for refinancing maturing debt is subject to many factors, including: (i) laws, regulations, and internal bank policies limiting bank exposure (including single borrower limits) to a single borrower or related group of borrowers; (ii) our compliance with existing debt covenants; (iii) our ability to service new debt; (iv) the macroeconomic fundamentals driving credit ratings of the Philippines; (v) any reputation damage that we may sustain from non-governmental organizations or other stakeholder; and (vi) perceptions in the capital markets regarding us and the industries and regions in which we operate and other factors, some of which may be outside of our control, including general conditions in the debt and equity capital markets, political instability, an economic downturn, social unrest, changes in the regulatory environments or the bankruptcy of an unrelated company operating in one or more of the same industries as us, any of which could increase borrowing costs or restrict our ability to obtain debt or equity financing.

There is no assurance that we will be able to arrange financing on acceptable terms, if at all. Any inability to obtain financing from banks and other financial institutions or from capital markets would adversely affect our ability to execute its expansion and growth strategies.

Moreover, securing additional debt to finance our planned development projects could impair our financial condition, results of operations and cash flows.

We may need to incur additional debt to finance our expansion projects and future development projects. As of March 31, 2025, our total interest-bearing loans and borrowings was ₱16,122.9 million (U.S.\$281.0 million). This indebtedness could have important consequences for us, including:

- our difficulty to satisfy its debt obligations as they become due;
- an increase in our vulnerability to general adverse economic and industry conditions;
- impairment of our ability to obtain additional financing in the future for working capital needs, capital expenditures, development projects, acquisitions or general corporate purposes;
- requirement for us to dedicate a significant portion of its cash flow from operations to the payment of principal and interest on its debt, which would reduce the funds available for our working capital needs, capital expenditures or dividend payments;
- limitation on our flexibility to plan for, or react to, changes in the business and the industry in which we operate;
- requirements to comply with financial and other covenants, including the limitations indicated in our Gaming License, that impose significant restrictions on our existing and future businesses and operations;
- placing us at a competitive disadvantage compared to competitors that have less debt; and
- subjecting us to higher interest expense in the event of increases in interest rates as a significant portion of the Company's debt is and may continue to be at variable rates of interest.

Any of the above could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The construction of Hann Reserve and our other expansion projects are subject to hazards that may cause personal injury or loss of life.

The construction of Hann Reserve and our other expansion projects can be dangerous. Workers and employees of contractors at these construction sites are subject to hazards that may cause personal injury or loss of life, which may subject us to liabilities, possible losses, delays in the completion of the projects, negative publicity and damage to our reputation. Although we believe that our contractors have taken the necessary safety precautions that are consistent with industry practice, these precautions may not be adequate to prevent serious personal injuries or loss of life, damage to property or delays. Any accidents or other incidents which occur during the construction of Hann Reserve and our other expansion projects or during any additional future construction works may subject the construction projects to delays, including delays imposed by regulators, liabilities and possible losses, which may not be covered by insurance, and which may materially and adversely affect our business, financial condition and results of operations.

We have not yet entered into all of the definitive contracts necessary for the construction of Hann Reserve and our other expansion projects, which could adversely impact the projects' costs and timelines.

While we have entered into certain contracts for the excavation and design for certain facilities at Hann Reserve, including the Nicklaus Golf Course, we are in the continued process of tendering for and negotiating other definitive contracts and agreements necessary for the construction, development, design, fit-out, operation and other aspects of our expansion projects, such as various supply, finishing design and other agreements. There can be no assurance that we will be able to enter into definitive contracts with contractors with sufficient skill, financial strength and experience on commercially reasonable terms, or at all. Our ability to enter into such commercial arrangements may depend on the availability of qualified contractors, subcontractors and suppliers, in addition to receipt of all necessary government approvals, the final design and development plans, the availability of financing on terms acceptable to it and prevailing market conditions, among other variables.

We may not be able to obtain guaranteed maximum price or fixed contract price terms on such contracts for construction or fit-out of the projects, which could cause us to bear greater risks of cost overruns and delays. Even if we are able to obtain maximum price or fixed price contracts, there is no guarantee that parties with whom we enter into these contracts will comply with the terms of such contracts. If the pricing terms under any construction or fit-out contracts were to change due to market conditions or other circumstances (including variations to specifications required by the Company, Nicklaus Design, the PGA and/or any of their respective affiliates, which will participate in decisions regarding the Hann Reserve's construction and finishing designs), we may exceed projected and budgeted costs, which in turn could impact our ability to finance or complete the development of our projects. If we are unable to enter into construction or fit-out contracts on terms satisfactory to it, we may not be able to complete construction or fit-out of our projects, which in turn would cause a material adverse effect on our business and prospects, financial condition, results of operation and cash flows.

Hann Reserve and our other expansion projects may not be financially successful, and we may experience difficulty in managing the expected growth of these projects.

Even if Hann Reserve and our other expansion projects are completed and opened as planned, some or all of their components still may not be a financially successful venture or generate the cash flows that we anticipate. We may also not attract the level of visitation expected, and we will be dependent upon new hotel operators with whom we have not previously worked. If the projects do not generate sufficient revenues or our expenses are materially greater than expected, this will limit our net cash flow and would adversely affect our overall business, results of operations, future plans, its ability to service payments under our loan facilities, our ability to raise additional funding and our financial conditions and liquidity.

While we expect that our operations will grow rapidly upon the commissioning of Hann Reserve and our other expansion projects at Hann Casino Resort, and the maturity of the Philippine gaming market alongside the development of Clark, we may experience difficulty in managing our growth. Successful management of this rapid growth in the overall Philippine gaming market and in Clark depends upon, among other things:

- favorable economic conditions and regulatory environment;
- construction and development of our expansion projects in a timely and cost-efficient manner;
- the ability to continue attracting gaming customers to Hann Casino Resort;
- successfully leverage our relationships with gaming promoters and players;
- successfully develop our experience and expertise as well as relationships with local vendors and suppliers;
- the hiring, training and retention of additional gaming personnel; and
- the availability of sufficient cash flows or necessary financing to support any of our expansion plans.

We may not be able to implement an effective growth strategy in the future to keep pace with the rapid development we expect in the Philippine gaming market and Clark, and we may not be able to fit-out and operate additional facilities or expand our operations. Our failure to take advantage of the opportunities presented by a growing market may have a material adverse effect on our business and results of operations. In addition, if we are unable to successfully manage the potential difficulties associated with growing or expanding our operations, we may not be able to maintain our operating efficiencies. If we are not able to continue to capture scale efficiencies, successfully manage personnel and hiring, improve our systems, maintain our cost discipline strategies and enhance our product offerings through any future construction phases, we may not be able to achieve or maintain our target operating margins.

RISKS RELATING TO THE PHILIPPINES

Political instability in the Philippines may have a negative effect on the general economic conditions in the Philippines which could have a material adverse impact on our results of operations and financial condition.

The Philippines has from time to time experienced political and military instability. In recent history, there has been political instability in the Philippines, including impeachment proceedings against two former presidents and the chief justice of the Supreme Court of the Philippines, the nullification of the appointment of another chief

justice, hearings on graft and corruption issues against various government officials, and public and military protests arising from alleged misconduct by previous and current administrations. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy.

In addition, we may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. The Philippine mid-term elections for select national positions and local positions took place on May 12, 2025. Any major deviation from the policies of the previous administration or fundamental change of direction, including a change in the form of government, may lead to an increase in political or social uncertainty and instability. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact our business.

Additionally, on March 11, 2025, the Philippine National Police (“PNP”) implemented the arrest warrant issued by the International Criminal Court (“ICC”) for the arrest Former President Rodrigo Duterte for crimes against humanity in connection to his role in the “war on drugs” and alleged extra-judicial killings that occurred during his tenure as Mayor of Davao City. Following his arrest, the Philippine Senate has initiated an investigation on the legality of Duterte’s arrest. As of date, Duterte awaits trial in the Hague.

There is no assurance that the political environment in the Philippines will be stable or that the current or any future government will adopt economic policies that are conducive to sustained economic growth or which do not materially and adversely impact the current regulatory environment for the gaming, hospitality, leisure and integrated tourism resort industries. An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a material and adverse impact on our business, prospects, financial position and financial performance.

No assurance can be given that any changes in such regulations or policies imposed by the Government from time to time or the future political environment in the Philippines will be stable or that current or future administrations will adopt economic policies conducive to sustaining economic growth. Political instability in the future could reduce consumer demand for retail and consumer goods to our disadvantage, or result in inconsistent or sudden changes in regulations and policies that affect our business operations, which could have a material adverse impact on our results of operations and financial condition.

In addition to domestic disputes, the Philippines is also subject to several international disputes.

China has persisted in its territorial claims over the West Philippines Sea, also known as the South China Sea. The ongoing territorial disputes may give rise to heightened political instability, which would negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a material and adverse impact on our business, prospects, financial position and financial performance.

In April 2025, US President Donald Trump imposed sweeping reciprocal tariffs to nearly all its trading partners, including the Philippines, which has been imposed a 17% tariff on its goods entering the United State. However, new tariffs on the Philippines are notably much lower compared to the tariffs imposed on other Southeast Asian countries with 24% imposed on Brunei; 49% imposed on Cambodia; 32% imposed on Indonesia; 24% imposed on Malaysia; 45% imposed on Myanmar; and 46% imposed on Vietnam. A 90-day pause on the proposed tariffs was announced on April 9, 2025, except those on Chinese products, which were subjected to a 125% tariff.

All of our business activities and assets are based in the Philippines, which exposes us to risks associated with the country, including the performance of the Philippine economy.

We derive all of our operating income and operating profits from the Philippines and, as such, we are highly dependent on the state of the Philippine economy. Demand for our services and products are directly related to the strength of the Philippine economy (including its overall growth and income levels), the overall levels of business activity in the Philippines as well as the amount of remittances received from Overseas Filipino Workers. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of its currency and the imposition of exchange controls. Other factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;

- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- foreign exchange rate fluctuations;
- foreign exchange controls;
- inflation or increase in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal and regulatory policies;
- Government budget deficits;
- public health epidemics or outbreaks of diseases, such as a worsening or resurgence of the COVID-19 pandemic, a re-emergence of polio, SARS, bird flu, or H1N1, or the emergence of other similar diseases in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- geopolitical tensions between the Philippines and other claimant countries concerning disputed territories in the West Philippine Sea;
- delays in obtaining government approvals and permits;
- a downgrade in the long-term foreign and local currency sovereign credit ratings of the Philippines or the related outlook for such ratings;
- political instability, territorial disputes, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Any future deterioration of the economic conditions in the Philippines due to these or other factors could materially and adversely affect our customers and contractual counterparties. This, in turn, could materially and adversely affect our financial position and results of operations, including our ability to grow our asset portfolio, the quality of our assets and our ability to implement our business strategy. Therefore, changes in the conditions of the Philippine economy could materially and adversely affect our business, financial condition or results of operations.

Natural or other catastrophes, including severe weather conditions, may materially disrupt our operations and result in losses not covered by our insurance.

The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, has experienced a number of major natural catastrophes over the years, including typhoons, droughts, floods, volcanic eruptions and earthquakes.

In January 2020, the Taal Volcano entered into a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the Main Crater that progressed into magmatic eruption. The Philippine Institute of Volcanology and Seismology (“**PHIVOLCS**”) raised the alert level to Alert Level 4 on January 12, 2020. Pursuant to such events, PHIVOLCS ordered the total evacuation of the Volcano Island and high-risk areas within a 14-kilometer radius from the Taal Main Crater. PHIVOLCS has thereafter lowered the Alert Level covering Taal to Level 1, but subsequently raised it to Alert Level 3 in March 2022 when Taal Volcano erupted again. While Taal Volcano currently has a classification of Alert Level 1, in September 2023, it spewed above average sulfur dioxide and volcanic smog, prompting authorities to close schools in dozens of cities and towns and to urge people to stay indoors. There can be no assurance that the Taal Volcano will not increase seismic activity or erupt in the future. Most recently, PHIVOLCS placed Kanlaon Volcano in Negros under Alert Level 3. Its daily sulfur dioxide emissions reached 1,915 tonnes per day on April 19, 2025 and emitted moderate plumes rising 75 meters. Its edifice is inflated.

In November 2020, two typhoons, Super Typhoon Rolly/Goni and Typhoon Ulysses/Vamco, and in December 2021 and September 2022, Super Typhoon Odette/Rai and Super Typhoon Karding/Noru, respectively, brought strong winds and rain to the Philippines. In October 2022, Tropical Storm Paeng brought strong winds and heavy rains in Mindanao which caused flooding and landslides. In November 2024, Typhoon Pepito/Man-yi caused

widespread destruction, severe flooding and landslides and displaced thousands of people, prompting several provinces in Luzon to declare a state of calamity.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt our operations. These factors, which are not within our control, could potentially have significant effects on our operations. While we carry insurance for certain catastrophic events, in amounts and with deductibles that we believe are in line with general industry practices in the Philippines, there are losses for which we cannot obtain insurance at a reasonable cost or at all. See “— *Our insurance coverage may not be adequate to cover all possible losses that our properties could suffer. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future*”. However, should an uninsured loss or a loss in excess of insured limits occur, we could lose all or a portion of the capital invested in such business, as well as the anticipated future turnover, while remaining liable for any costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect our business, financial position and results of operations.

Acts of terrorism could destabilize the country and could have a material adverse effect on our business, financial position and results of operations.

The Philippines has been subject to a number of terrorist attacks in the past several years. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines, and is also alleged to have ties to the Al-Qaeda terrorist network and, along with certain other organizations, has been identified as being responsible for certain kidnapping incidents and other terrorist activities particularly in the southern part of the Philippines.

Furthermore, the Government and the Armed Forces of the Philippines (“AFP”) have been in conflict with members of several separatist groups seeking greater autonomy, including the Moro Islamic Liberation Front (“MILF”), the MNLF and the New People’s Army (“NPA”). There have been numerous bombing incidents in Mindanao and elsewhere in the Philippines, which have resulted in death and injury to the civilian population, as well as to military and security personnel.

An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilization could cause interruption to our business and materially and adversely affect our business, financial condition, and results of operations.

These continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the AFP, which could destabilize parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on our business, financial condition, and results of operations.

Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.

The Philippines, China and several Southeast Asian nations have been engaged in a series of longstanding territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea (“UNCLOS”). Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. Actions taken by both sides have threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, a temporary suspension of tours to the Philippines by Chinese travel agencies and the rejection by China of the Philippines’ request for arbitral proceedings administered in accordance with the UNCLOS to resolve the disputes.

In 2016, the Permanent Court of Arbitration ruled in favor of the Philippines against China over territorial disputes in the West Philippine Sea. The arbitral tribunal unanimously ruled, among others, that (a) China has “no historical rights” to the resources within the sea areas falling within the “nine-dash line;” (b) Chinese reclamation activity in the West Philippine Sea has caused irreparable damage to the environment, obligating the Chinese government to stop further activities in the West Philippine Sea; and (c) China has violated the Philippines’ sovereign rights in its exclusive economic zone by interfering with Philippine fishing and petroleum exploration, constructing

artificial islands, and failing to prevent Chinese fishermen from fishing in the zone. However, China has said it will not recognize the ruling. With no formal enforcement mechanism in place, the territorial dispute in the West Philippine Sea remains contentious and unresolved.

The Government, under the Duterte administration, has taken action to de-escalate tensions concerning the territorial dispute with China. On June 9, 2019, a fishing boat manned by Filipino fishermen was rammed by a Chinese vessel at Recto Bank, an underwater reef formation being claimed by both the Philippines and China in the portion of the South China Sea portion that Manila calls the West Philippine Sea. The Filipino fishermen were abandoned in open sea and were eventually rescued by a Vietnamese vessel. This incident increased tensions between China and the Philippines. The owners of the Chinese vessel have since apologized to the Filipino fishermen and remuneration is being arranged for the fishermen.

In March 2021, more than 180 Chinese military vessels were spotted on Julian Felipe Reef in the West Philippine Sea. The presence of the vessels defied a diplomatic protest and a demand for the vessels to leave the area issued by then Philippine Defense Secretary Delfin Lorenzana.

In February 2023, a Chinese Coast Guard ship purportedly harassed a Philippine Coast Guard vessel in the Ayungin Shoal in the West Philippine Sea. In September 2023, the Philippine Coast Guard reported that the Chinese Coast Guard has installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the Scarborough Shoal. In a special operation conducted thereafter, the floating barrier was eventually removed by the Philippine Coast Guard.

In March 2024, at least two Chinese Coast Guard ships used water cannons against a smaller military-contracted vessel during a resupply mission to Ayungin Shoal in the West Philippine Sea. Four Filipinos on board the vessel sustained minor injuries during this incident. On March 5, 2024, the Philippines' Department of Foreign Affairs demanded that the Chinese vessels leave the vicinity of Ayungin Shoal immediately.

In April 2024, Chinese Coast Guard ships attacked Philippine Coast Guard vessels as they were distributing fuel and food to the fisherfolk in the Scarborough Shoal.

In January 2025, a 165-meter-long Chinese coastguard vessel was spotted 142 km off the coast of Zambales province. This prompted the Philippine Government to lodge another diplomatic protest.

On February 18, 2025, a Chinese military helicopter flew within three meters of a Philippine patrol plane flying over the Scarborough Shoal. Several days later on February 21, 2025, the Chinese military drove off three Philippine aircrafts flying over the Spratly Islands.

In April 2025, Chinese warships were spotted in Philippine waters since the kickoff of the Balikatan exercises with aircraft carrier Shandong reportedly coming within 2.23 nautical miles (approximately 4.0 kilometers) of the northern Babuyan Island. Beijing state media claimed that the Chinese coast guard "implemented maritime control" over Sandy Cay on April 26, 2025. More recently, on May 27, 2025, two Chinese vessels shadow Atin Ito Coalition whole on the way to Pagasa Island for a civilian mission. The shadow Atin Ito Coalition noted that Chinese and Philippine forces exchanged radio challenges during the mission.

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted and our operations could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighboring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and our business and financial standing may be adversely affected. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect our business, financial condition, and results of operations.

Corporate governance and disclosure standards in the Philippines may differ from those in more developed countries.

Although a principal objective of Philippine securities laws is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies than

is regularly made available by public companies in the U.S. and other countries. As a result, our public shareholders may not have access to the same amount of information or have access to information in as timely of a manner as may be the case for companies listed in the U.S. and many other jurisdictions. Furthermore, although we comply with the requirements of the Philippine SEC with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions.

Volatility in the value of the Philippine Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect our businesses.

The Philippine economy has experienced volatility in the value of the Philippine Peso and also limitations to the availability of foreign exchange.

The value of the Philippine Peso may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Philippine Peso against the U.S. Dollar and other currencies. As of December 27, 2023, according to the BSP reference exchange rate bulletin, the Philippine Peso was at ₱55.57 per U.S.\$1.00 from ₱56.12 per U.S.\$1.00 as of December 31, 2022, and was ₱50.77 per U.S.\$1.00 as of December 31, 2021. As of December 27, 2024 and March 31, 2025, the Philippine Peso was at ₱58.01 and ₱57.38, respectively, against the U.S. dollar.

Investors may face difficulties enforcing judgments against us.

Considering that we are organized under the laws of the Republic of the Philippines, it may be difficult for investors to enforce judgments against us obtained outside of the Philippines. In addition, majority of our directors and officers are residents of the Philippines, and all or a substantial portion of the assets of such persons are located in the Philippines. As a result, it may be difficult for investors to effect service of process upon such persons, or to enforce against them judgments obtained in courts or arbitral tribunals outside the Philippines predicated upon the laws of jurisdictions other than the Philippines.

The Philippines is party to the United Nations Convention on Recognition and Enforcement of Foreign Arbitral Awards, but it is not party to any international treaty relating to the recognition or enforcement of foreign judgments. Nevertheless, the Philippine Rules of Civil Procedure provide that a final and conclusive judgment of a foreign court is enforceable in the Philippines through an independent action for the enforcement of a foreign judgment or final order, and without re-trial or re-examination of the issues, only if: (i) such judgment was obtained by collusion or fraud, (ii) the foreign court rendering such judgment did not have jurisdiction, (iii) such order or judgment is contrary to good customs, public order, or public policy of the Philippines, (iv) the party against whom the enforcement is sought did not receive notice of the proceedings before the foreign court, or (v) such judgment was based upon a clear mistake of law or fact.

Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect our business, financial condition and results of operations.

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, including, but not limited to, solar panels, steel and aluminum products, consumer electronics, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. In April 2025, U.S. President Donald J. Trump implemented the “Liberation Day” trade policy aimed at addressing trade imbalances between the U.S. and several other countries. This policy includes imposing a 17% reciprocal tariff on Philippine exports to the United States, as well as tariffs at different rates on exports from over 180 other countries. A 90-day pause on the proposed tariffs was announced on April 9, 2025, except those on Chinese products, which were subjected to a 125% tariff. An escalating trade war may have material adverse effects on our industries and our business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact our business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect our business, financial condition and results of operations. While there are ongoing discussions between the U.S. and China to reduce

tariffs in phases, there is no certainty as to the timing and scale of the reduction in tariffs, and overall impact on global markets.

Economic disruption in other countries, even in countries in which we do not currently conduct business or have operations, could also adversely affect our businesses and results. Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices and concerns about European stagnation as well as diverging monetary policies among the major economies have affected financial markets and the economy.

In addition to the macroeconomic factors discussed above, other events beyond our control, including terrorist attacks, cyber attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on our businesses and results.

There can be no assurance that the uncertainties affecting global markets will not negatively impact credit markets in Asia, including in the Philippines. These developments may adversely affect trade volumes with potentially negative effects on the Philippines.

Any economic slowdown or deterioration in economic conditions in the Philippines may adversely affect our business and operations in the Philippines.

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts. The Philippine Statistics Authority has reported that the headline inflation rate decreased to 1.4% in April 2025, down from 1.8% in March 2025.

Our results of operations are significantly influenced by the performance of the Philippine economy. Any severe deterioration in economic conditions may adversely affect the purchasing power of consumers and businesses, potentially impacting our visitation rates. There is no assurance that current or future governments will implement economic policies conducive to sustaining economic growth. Consequently, our results of operations may fluctuate from period to period in line with changes in the Philippine economy, which is affected by various factors, including political, economic, and international developments.

While we continually monitor key economic indicators to develop strategies to address potential adverse developments, there is no assurance that these efforts will adequately mitigate systemic risks.

Public health epidemics, such as the COVID-19 pandemic, and outbreaks of diseases along with measures intended to prevent its spread could have a material adverse effect on our business, results of operations, cash flows and financial condition.

In April 2009, an outbreak of the H1N1 virus, commonly referred to as “swine flu,” occurred in Mexico and spread to other countries, including the Philippines. In August 2014, the World Health Organization (“WHO”) declared the Ebola outbreak that originated in West Africa as an international health emergency in view of the rising death toll due to the disease. That month, a Filipino seaman in Togo was quarantined for exhibiting symptoms of Ebola virus infection but was later released after testing negative for the disease. While still Ebola-free, the Philippines, however, remains vulnerable to exposure and spread of the disease for the following reasons: (a) the considerable number of overseas Filipino workers in the Ebola-hit West African countries; (b) the impact of international travel which raises the probability of transmission; and (c) lack of the necessary infrastructure to contain the spread of the disease. In March 2016, the Director-General of WHO terminated the Public Health Emergency of International Concern on the Ebola Virus Disease outbreak.

In February 2015, a Filipina nurse who arrived from Saudi Arabia tested positive for the MERS-CoV (i.e., the Middle East Respiratory Syndrome-Corona virus). She was quarantined, received medical treatment, and later discharged and cleared of the disease by the Department of Health. All known contacts of the said nurse, including some passengers in the same flight that arrived from Saudi Arabia, were also cleared of the infection, putting the country once again free of an active case of the disease.

In March 2016, reports of an American woman who stayed in the Philippines for four weeks in January 2016, tested positive for the Zika virus upon returning home, indicating the local transmission of the disease through the *Aedes aegypti* mosquito. In May 2016, a South Korean national was reported to have acquired the infection while

visiting the Philippines, following earlier reports of two other confirmed cases of the viral infection in the country. All of the patients had recovered, indicating that the Zika viral infection acquired in the country was self-limiting. In August 2017, an outbreak of bird flu from a poultry farm in Central Luzon was confirmed, and the avian influenza strain was later found to be transmissible to humans. In response to the outbreak, restrictions on the transport and sale of birds and poultry products outside a seven-kilometer radius control area surrounding the affected site were imposed. The Philippines has since been cleared of any human infection of the avian influenza virus.

In late 2019, COVID-19, an infectious disease that was first reported to have been transmitted to humans in 2019 has spread globally over the course of 2020, and in March 2020, it was declared as a pandemic by the World Health Organization. While the WHO has declared the COVID-19 pandemic to be over in May 2023, there are still active and recurring cases globally, including in the Philippines. In July 2023, the President of the Philippines issued Presidential Proclamation No. 297 effectively lifting the State of Public Health Emergency throughout the Philippines brought about by the COVID-19 pandemic.

The extent of the impact of COVID-19 on the Philippine economy and the speed and certainty of any economic recovery cannot be predicted for certain, and any new surge in infections may result in stricter quarantine or lockdown measures across provinces, cities and municipalities and may lead to further contraction of the Philippine economy, closure of businesses, and rise in unemployment rates.

Since early May 2022, cases of monkeypox have been reported from countries where the disease is not endemic, and continue to be reported in several endemic countries. In July 2022, WHO Director-General Tedros Adhanom Ghebreyesus declared the ongoing monkeypox outbreak a Public Health Emergency of International Concern. On April 21, 2025, Department of Health in Davao Region confirmed two monkeypox cases (Clade II variant) in Davao. The patients were admitted to the isolation facility at the Southern Philippines Medical Center. However, one of the patients, who was severely immunocompromised, later died due to complications unrelated to monkeypox.

In 2023, an outbreak of the Nipah virus was reported in India. According to the WHO, patients who contracted the Nipah virus have a 40% to 75% mortality rate depending on the public health response to the virus. In September 2023, the Department of Health confirmed that there are no cases of Nipah virus in the Philippines.

Since 2024, the Philippines has been managing the outbreak of the African Swine Fever (“**ASF**”) in the country. As of December 27, 2024, the National ASF Prevention and Control Program under the country’s Department of Agriculture reported that there were 11 regions, 21 provinces, 67 municipalities, and 225 barangays that had active ASF cases.

In May 2025, it was reported that there is a rise in COVID-19 cases in the Southeast Asian region, particularly in HongKong, Singapore and Thailand. While not a cause for concern, the Philippine Department of Health said that cases it is actively monitoring the trends and encouraged the public to practice the necessary preventive measures for protection.

If the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, COVID-19, monkeypox, Nipah virus, or any public health epidemic becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect our business, financial condition and results of operations.

The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including our Company.

The sovereign credit ratings of the Philippines directly affect companies’ resident and domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. In 2013, the Philippines earned investment grade status from all three major credit ratings agencies — Fitch Ratings (“**Fitch**”) (BBB-), by S&P Global (“**S&P**”) (BBB-) and Moody’s Investors Service (“**Moody’s**”) (Baa3). Moody’s subsequently upgraded their ratings to “Baa2” and recently reaffirmed their rating in August 2024. Meanwhile, Fitch upgraded the Philippines’ credit rating to “BBB” and affirmed the same in April 2025 with a stable outlook. S&P also further upgraded the country’s rating to “BBB+”, which was reaffirmed in November 2024. All ratings are above investment grade and the highest that the Philippines has received so far from any credit ratings agency.

The Government’s credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Fitch,

Moody's, S&P, or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including us, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

While we endeavor to manage our balance sheet prudently by maintaining conservative leverage and debt service coverage ratios within the limits of our financing agreements, and by securing long-dated tenors with fixed interest rates to reduce exposure to interest rate risk, there is no assurance that these strategies will fully mitigate systemic risks. Changes in market conditions or unforeseen economic events could still adversely affect our financial stability.

RISKS RELATING TO THE OFFER AND THE OFFER SHARES

Upon listing with the PSE, the Common Shares will be subject to PSE rules and regulations, which amendments thereto may adversely affect the Common Shares.

From time to time, the PSE may issue changes to rules and regulations applicable to us which may affect the trading of the Common Shares. The PSE has recently proposed amendments to, among others, revise the criteria on what constitutes public and non-public shares by removing "purpose of investment" as a criterion, and categorically characterizing 10% ownership of the outstanding common shares in a listed company as "significant shareholdings". Given this, the shares held by investors that constitute at least 10% of the outstanding common shares in a listed company may now be deemed privately held, regardless of the purpose of such investment in the listed company. This change increases the exposure of the Company to breach the requirement on MPO, which may result in suspension of trading and, if not rectified by us, automatic delisting. In turn, this also exposes investors to risks of being unable to trade their shares, and limits the extent of their potential investments, considering that there is now a proposed quantifiable threshold that may determine whether shares are publicly or privately held.

There has been no prior market for the Common Shares, so there may be no liquidity in the market for the Offer Shares and the price of the Offer Shares may fall.

There has been no prior trading in the Common Shares and there can be no assurance that an active market for the Offer Shares will develop following the Offer or, if developed, that such market will be sustained.

The Offer Price has been determined after taking into consideration a number of factors including, but not limited to, our prospects, the market prices for shares of companies engaged in related businesses similar to that of our business and prevailing market conditions. The price at which the Common Shares will trade on the PSE at any point in time after the Offer may vary significantly from the Offer Price.

The market price of the Common Shares may be volatile, which could cause the value of investors' investments in the Common Shares to decline.

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the United States and other jurisdictions, and are not as highly regulated or supervised as some of these other markets are. The Offer Price could differ significantly from the price at which the Common Shares will trade subsequent to completion of the Offer. There is no assurance that investors may sell the Offer Shares at prices or at times deemed appropriate.

The market price of the Common Shares could be affected by several factors, including: volatility in stock market prices and volume; fluctuations in our consolidated revenue, cash flow and earnings; general market, political and economic conditions; changes in earnings estimates and recommendations by financial analysts; differences between our actual financial and operating results and those expected by investors and financial analysts; changes in market valuations of listed stocks in general and other retail stocks in particular; the market value of our assets; market news and rumors; changes to Government policy, legislation or regulations; changes in our relationships with regulators; our dividend policy; future sales of our equity or equity-linked securities; and general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of the Common Shares.

In part as a result of recent global economic downturns, the global equity markets have experienced price and volume volatility that has affected the share prices of many companies. Share prices for many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Fluctuations such as these could adversely affect the market price of the Common Shares. There is no assurance that we will be able to manage such risk.

The PSE recently announced the immediate effectivity of its guidelines for short selling transactions, following regulatory support by the Philippine SEC. Pursuant to this development, investors may opt to take advantage of declining market prices of eligible securities. These eligible securities, however, only include member companies of the PSE index and exchange traded funds, which criteria may be subject to review and amendment by the PSE from time to time.

There can be no guarantee that the Offer Shares will be listed on the PSE, or that there will be no regulatory action that could delay or affect the Offer.

Purchasers of the Trading Participants and Retail Offer Shares will be required to pay for such Offer Shares on the Trading Participants and Retail Offer Settlement Date, which is expected to be on [September 15] and purchasers of the Institutional Offer Shares will be required to pay on the Institutional Offer Settlement Date, which is expected to be on or about [September 22]. There can be no guarantee that listing will occur on the anticipated Listing Date or at all. Delays in the admission and the commencement of trading in shares on the PSE have occurred in the past. If the PSE does not admit the Offer Shares onto the PSE, the market for the Offer Shares will be illiquid and shareholders may not be able to trade the Offer Shares. This may materially and adversely affect the value of the Offer Shares.

The Offer Shares may not be a suitable investment for all investors.

Each prospective investor in the Offer Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of our Company and our business, the merits and risks of investing in the Offer Shares and the information contained in this Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Offer Shares and the impact the Offer Shares will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Offer Shares, including where the currency for purchasing and receiving dividends on the Offer Shares is different from the potential investor's currency; (iv) understand and be familiar with the behavior of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Moreover, potential investors should note that offers by the Sole Global Coordinator and Joint Bookrunner of the Offer Shares will be made to persons located outside the Philippines and therefore, would not be governed by Philippine laws. As such, the type and level of due diligence that is conducted by the Sole Global Coordinator and Joint Bookrunner, and any conflict-of-interest considerations to which they may be subject, may be different from those applicable to the Domestic Underwriters and Joint Bookrunners. There is, therefore, no assurance that the due diligence conducted by the Sole Global Coordinator and Joint Bookrunner and the standard of avoidance of conflict of interest maintained by the same as regards the Issuer would be with the same as the Domestic Underwriters and Joint Bookrunners, which is subject to the supervision of the Philippine SEC.

Future sales of shares in the public market could adversely affect the prevailing market price of the Common Shares and shareholders may experience dilution in their holdings.

In order to finance the expansion of our business and operations, the Board will consider the funding options available to them at the time, which may include the issuance of new shares. Pursuant to an amendment to the Articles of Incorporation approved by the Board of Directors and the stockholders on April 5, 2024, our stockholders shall have no pre-emptive right to subscribe to any issue or disposition of shares of any class. While the Revised Corporation Code of the Philippines and the listing rules of the PSE provide for some degree of minority shareholders' protection, if additional funds are raised by us through the issuance of new equity or equity-linked securities other than on a *pro rata* basis to existing shareholders such as through a share rights offer, the percentage ownership of existing shareholders may be reduced, shareholders may experience subsequent dilution or such securities may have rights, preferences and privileges senior to those of the Offer Shares.

Further, the market price of the Common Shares could decline as a result of future sales of substantial amounts of the Common Shares in the public market or significant sales, including by our shareholders, or the issuance of new shares, or the perception that such sales, transfers or issuances may occur. This could also materially and adversely affect the prevailing market price of the Common Shares or our ability to raise capital in the future at a time and at a price we deem appropriate.

The PSE rules require existing shareholders owning at least 10% of the outstanding shares of a company not to sell, assign or in any manner dispose of their shares for a period of 180 days after the listing of the company's common shares. In addition, all shares issued or transferred within 180 days prior to the commencement of the offer at an issue price less than the price per offer share shall be subject to a lock-up period of at least 365 days from the date that full payment is made on such common shares, as required by the PSE. To implement this lock-up requirement, the PSE requires the applicant company to lodge the shares with the PDTC through a PCD participant for the electronic lock-up of the shares or to enter into an escrow agreement with the trust department or custodian unit of an independent and reputable financial institution.

Moreover, a listed company on the PSE shall be prohibited from offering additional securities, except offerings for stock dividends and employee stock option plans, within 180 calendar days from the date of initial listing.

Except for such restrictions, there is no restriction on our ability to issue Common Shares or the ability of any of our shareholders to dispose of, encumber or pledge, their Common Shares, and there can be no assurance that we will not issue shares or that such shareholders will not dispose of, encumber or pledge, their common shares.

Investors may incur immediate and substantial dilution as a result of purchasing Common Shares in the Offer.

The issue price of the Common Shares in the Offer may be substantially higher than the net tangible book value of net assets per share of the outstanding Common Shares. Therefore, purchasers of Common Shares in the Offer may experience immediate and substantial dilution and our existing shareholders may experience a material increase in the net tangible book value of net assets per share of the Common Shares they own. See “Dilution”.

The relative volatility and illiquidity of the Philippine securities market may substantially limit investors' ability to sell the Offer Shares at a suitable price or at a time they desire.

The Philippine securities markets are substantially smaller, less liquid, and more volatile relative to major securities markets in the United States and other jurisdictions, and are not as highly regulated or supervised as some of these other markets are. The Offer Price could differ significantly from the price at which the Common Shares will trade subsequent to completion of the Offer. There is no assurance that investors may sell the Offer Shares at prices or at times deemed appropriate.

In recent years, stock markets, including the PSE, have experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to the operating performance of these companies. These broad market fluctuations may adversely affect the market price of our Common Shares. There is no assurance that we will be able to manage such risk.

Shareholders may be subject to limitations on minority shareholders' rights and regulations may differ from those in more developed countries.

Our corporate affairs are governed by our Articles of Incorporation and By-Laws and the Revised Corporation Code of the Philippines. The laws of the Philippines relating to the protection of interests of minority shareholders differ in some respects from those established under the laws of more developed countries. Such differences may mean that our minority shareholders may have less protection than they would have under the laws of more developed countries. The obligation under Philippine law of majority shareholders and directors with respect to minority shareholders may be more limited than those in certain other countries such as the United States or the United Kingdom. Consequently, minority shareholders may not be able to protect their interests under current Philippine law to the same extent as in certain other countries.

The Revised Corporation Code of the Philippines, however, provides for minimum minority shareholders protection in certain instances wherein a vote by the shareholders representing at least two-thirds our outstanding capital stock is required. The Revised Corporation Code of the Philippines also grants shareholders an appraisal right allowing a dissenting shareholder to require the corporation to purchase his shares in certain instances. Derivative actions are rarely brought on behalf of companies in the Philippines. Accordingly, there can be no

assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

There can be no assurance that we will be able to pay dividends or maintain any given level of dividends.

We are a holding company and conduct no significant business operations. Our gaming and hospitality businesses are operated by HPI, which we hold or are invested in. See “*Business —Corporate Structure*”. We expect to depend upon the dividends and distributions from HPI for our cash flow. The majority of our assets are held by, and our earnings and cash flows are ultimately attributable to HPI. As a holding company, our income, on a standalone basis, is primarily derived from dividends and distributions from HPI. Our liquidity, ability to pay expenses, and meet obligations, are primarily dependent upon the flow of funds from HPI. If we do not generate sufficient net operating profit, our income and resulting ability to pay dividends will be adversely affected. Dividends shall be declared and paid out of our unrestricted retained earnings, which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them. However, our Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends is subject to the requirements of applicable laws and regulations, and circumstances which restrict the payment of dividends.

Our Board of Directors may, at any time, modify any dividend policy taking into consideration various factors including: the level of our cash earnings, return on equity and retained earnings; our results for, and our financial condition at the end of, the year in respect of which the dividend is to be paid and its expected financial performance; the projected levels of capital expenditure and other investment plans; restrictions of payment of dividends that may be imposed on us by any of our financing arrangements and current and prospective debt service requirements; and such other factors as our Board of Directors deems appropriate. See “*Dividends and Dividend Policy*.”

No assurance can be given as to our ability to make or maintain dividends. Nor is there any assurance that the level of dividends will increase over time, or that we will generate adequate income available for dividends to shareholders. See also “—*We are a holding company and primarily depend on dividends and distributions from our subsidiaries*.”

Future changes in the value of the Philippine Peso against the U.S. dollar and other currencies will affect the foreign currency equivalent of the value of the Common Shares and any dividends.

Fluctuations in the exchange rate between the Philippine Peso and other currencies will affect the foreign currency equivalent of the Philippine Peso price of the Common Shares on the PSE. Such fluctuations will also affect the amount in foreign currency received upon conversion of cash dividends or other distributions paid in Philippine Pesos by us on, and the Philippine Peso proceeds received from any sales of, the Common Shares.

The value of the Philippine Peso may be adversely affected by certain events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S. and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Philippine Peso against the U.S. Dollar and other currencies. As of December 27, 2024, according to the Bangko Sentral ng Pilipinas (“BSP”) reference exchange rate bulletin, the Philippine Peso was at ₱58.01 per U.S.\$1.00 from ₱55.57 per U.S.\$1.00 as of December 31, 2023, and was ₱56.12 per U.S.\$1.00 as of December 31, 2022. As of May 30, 2025 the Philippine Peso was at ₱55.70 against the U.S. dollar. See “*Exchange Rates*.”

The transfer of Offer Shares is restricted in certain jurisdictions which may adversely affect their liquidity and the price at which they may be sold.

The Offer Shares have not been registered under, and we are not obligated to register the Offer Shares under, the U.S. Securities Act or the securities laws of any jurisdiction (other than the Philippines) and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable laws. See “*Plan of Distribution*”. We have not agreed to or otherwise undertaken to register the Offer Shares in such under the U.S. Securities Act or under the securities laws of any jurisdiction (other than in the Philippines), and we have no intention of doing so.

Overseas shareholders may not be able to participate in our future rights offerings or certain other equity issues.

If we offer or cause to be offered to holders of the Offer Shares rights to subscribe for Common Shares or any right of any other nature, we will have discretion as to the procedure to follow in making such rights available to holders of the Offer Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For example, such rights may not be offered to holders of the Common Shares who are U.S. persons (as defined in Regulation S) or have a registered address in the U.S. unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Issuer to offer such rights to holders and sell the securities represented by such rights; or (ii) the offer and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act.

We have no obligation to prepare or file any registration statement outside of the Philippines if the offer and sale of rights to subscribe for securities or the underlying securities are exempted from the applicable registration requirements. Accordingly, shareholders who are subject to similar restrictions may be unable to participate in rights offerings and may experience a dilution in their holdings.

Overseas shareholders may be subject to restrictions on repatriation of Philippine Pesos received with respect to the Common Shares.

Under BSP regulations, as a general rule, Philippine residents may freely dispose of their foreign exchange receipts and foreign exchange may be freely sold and purchased outside the Philippine banking system. Restrictions exist on the sale and purchase of foreign exchange within the Philippine banking system. In particular, a foreign investment must be registered with the BSP if foreign exchange needed to service the repatriation of capital and the remittance of dividends, profits and earnings which accrue thereon is sourced from the Philippine banking system. See “Regulatory and Environmental Matters – General Business Regulatory Framework–Registration of Foreign Investments and Exchange Controls.”

Developments in other markets and countries may adversely affect the Philippine economy and, therefore, the market price of the Common Shares.

In the past, the Philippine economy and the securities of Philippine companies have been, to varying degrees, influenced by economic and market conditions in other countries, especially other countries in Southeast Asia, as well as investors’ responses to those conditions. Although economic conditions are different in each country, investors’ reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines. Accordingly, adverse developments in the global economy could lead to a reduction in the demand for, and market price of, the Common Shares. There is no assurance that we will be able to manage such risk.

The intended use of the proceeds of the Offer may be delayed or may not materialize.

The net proceeds from the sale of the Firm Shares are intended to be used for the purposes and in the manner set out in “Use of Proceeds”. In particular, the net proceeds from the sale of the Primary Shares shall be used by us for capital expenditures to fund our development and expansion plans and for general corporate purposes.

We may encounter certain unforeseen events that may delay our expansion plans. Moreover, our management will have discretion over the detailed use and investment of the net proceeds of the Offer and we may not use the proceeds from the sale of the Primary Shares in the exact manner set out in “Use of Proceeds.”

RISKS RELATING TO CERTAIN INFORMATION IN THE PROSPECTUS

Certain information contained herein is derived from unofficial publications.

Certain information in this Prospectus relating to the Philippines, the gaming, hospitality, leisure and integrated tourism resort industries and market, generally, including statistics relating to market size, is derived from various Government and private publications. This Prospectus also contains industry information which was prepared from available public sources and independent market research conducted by The Innovation Group. The information contained in that section may not be consistent with other information regarding our industry. Similarly, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by us, the Sole Global Coordinator and Joint Bookrunner, the Domestic

Underwriters and the Joint Bookrunners, or any of their respective affiliates or advisors, and may not be accurate, complete, up to date or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly.

USE OF PROCEEDS

Based on an Offer Price of up to ₱[23.60] per Offer Share, it is estimated that the Company will receive gross proceeds from the sale of the Firm Shares of up to ₱[11,800.0] million (U.S.\$[205.6] million) and that the net proceeds from the sale of the Firm Shares after deducting the applicable underwriting fees, costs and expenses for the Offer payable by the Company will be approximately ₱[11,406.2] million (U.S.\$[198.8] million). The Company will not receive any proceeds from the sale of any Option Shares, to the extent the Overallotment Option is exercised, by the Selling Shareholder. Selling fees, crossing expenses, transaction taxes, and other expenses pertaining to the sale of the Secondary Shares by the Selling Shareholder will be paid for by the Selling Shareholder.

ESTIMATED EXPENSES FOR THE FIRM OFFER

Based on an Offer Price of up to ₱[23.60] per Offer Share, the total proceeds from the offer of the Firm Shares, total expenses for the offer and sale of the Firm Shares and the net proceeds from the sale of the Firm Shares is estimated to be as follows:

	Estimated Amounts (₱ millions)
Estimated Total proceeds from the sale of Firm Shares	[11,800.0]
Estimated Expenses:	
Underwriting fees for the offer of the Firm Shares	[259.6]
Fees to be paid to the PSE Trading Participants ⁽¹⁾	[23.6]
Documentary Stamp Tax to be paid	[5.0]
Philippine SEC Registration, Filing and Legal Research Fees.....	[3.5]
PSE Filing Fee	[41.4]
Estimated professional fees:	
Legal fees ⁽²⁾	[34.8]
Audit fees	[5.0]
Industry Consultant ⁽³⁾	[1.3]
Escrow Agency Fees	[1.0]
Stock and Transfer and Receiving Agency Fees.....	[1.1]
Estimated other expenses ⁽⁴⁾	[17.5]
Total estimated expenses from the offer and sale of Firm Shares	[393.8]
Estimated net proceeds from the sale of Firm Shares.....	[11,406.2]

Notes:

- (1) The [1.00]% selling commission of the PSE Trading Participants on the final take-up of the Firm Shares shall be paid directly by the Issuer, through the Receiving and Paying Agent, and will not form part of the underwriting fees. The selling commission of PSE Trading Participants shall be inclusive of VAT. Estimated selling agent fees are based on the assumption that the PSE Trading Participants take up the [20]% tranche allocated to them in the Offer.
- (2) Includes the fees for Legal Advisers engaged in relation to the Offer, which refers to (i) the fees for international counsel for the Joint Bookrunners, Latham & Watkins LLP, (ii) fees for the Issuer's Philippine counsel, Romulo Mabanta Buenaventura Sayoc & de los Angeles, (iii) fees for the Joint Bookrunners' Philippine counsel, Martinez Vergara & Gonzalez Sociedad and (iii) fees for the legal opinion delivered by Palarca & Baluyut Law Offices in respect of the Group's material permits and licenses.
- (3) Refers to the fees paid to The Innovation Group, for the preparation of the industry report on the gaming market in Clark. See "Independent Market Research Consultant" for further information.
- (4) Estimated other expenses include fees for printing, publication, shipping and other miscellaneous expenses that the Company expects to incur in relation to the Offer.

The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts. The estimated expenses set forth in the table above reflect the estimated expenses relating to the Primary Offer and are presented in this Prospectus for convenience only.

ESTIMATED EXPENSES FOR THE OPTION SHARES

If the Overallotment Option is exercised, and based on an Offer Price of ₱[23.60] per Offer Share, we estimate that the total proceeds from the offer of Option Shares, total expenses for the offer of Option Shares and the net proceeds from the offer of Offer Shares will be:

	Estimated Amounts (₱ millions)
	Option Shares (assuming full exercise of the Overallotment Option)
Estimated Total proceeds from the sale of the Option Shares.....	[1,180.0]
Estimated Expenses:	
Selling fees for the sale of the Option Shares (including the Joint Bookrunners' fees).....	[26.0]
Stock Transaction Tax to be paid.....	[7.1]
Crossing expenses.....	[0.5]
Total estimated expenses from the offer and sale of the Option Shares	[33.5]
Estimated net proceeds from the sale of the Option Shares	[1,146.5]

The Company will not receive any proceeds from the sale of the Option Shares, to the extent that the Overallotment Option is exercised. The actual underwriting and selling fees and other Offer-related expenses may vary from the estimated amounts indicated above. The estimated expenses amounts used to determine the estimated expenses and the net proceeds are presented in this Prospectus for convenience only.

USE OF PROCEEDS

Details on the proposed use of net proceeds from the sale of the Firm Shares based on the Offer Price of up to ₱[26.30] per Offer Share, after deducting the applicable underwriting fees, costs and expenses for the Offer payable by the Company, are as follows:

Use of Proceeds	Estimated Amount of Net Proceeds from the Firm Shares (₱ millions)	Estimated Timing of Disbursement
Capital expenditures to fund the development and expansion plans	[7,155.6]	Fourth Quarter of 2025 to Fourth Quarter of 2026
For general corporate purposes.	[4,250.6]	Third Quarter of 2026
Estimated Net Proceeds.....	[11,406.2]	

In the event that the net proceeds from the sale of the Firm Offer is less than the expected amount, we intend to allocate the proceeds in order of priority of activities, and subject to as follows:

- (a) Capital expenditures to fund the development and expansion plans; and
- (b) For general corporate purposes.

Approximately ₱[7,155.6] million or [62.7]% of the net proceeds from the sale of Firm Shares will be used for capital expenditures to fund our development and expansion plans. Please see “*Business—Expansion Plans*” of this Prospectus. The balance of our funding requirements shall be sourced from internally generated cash and project financing facilities with certain banks.

We will require ₱[4,250.6] million for general corporate purposes which include, but are not limited to, expenses related to business development, general working capital requirements, corporate office overhead, administrative expenses and other costs shouldered by the Issuer in the normal course of business operations not specifically related to any single project.

The proposed use of proceeds described above represents best estimates of the use of the net proceeds of the Firm Shares based on our current plans and expenditures. Other than as described above, no part of the net proceeds from the Firm Shares shall be used to acquire assets outside of the ordinary course of business or finance the acquisition of other businesses, or to reimburse any officer, director, employee or shareholder of the Company for services rendered, assets previously transferred, money loaned or advanced, or otherwise, or repay any of our debt obligations with any of the Joint Bookrunners. The actual amount and timing of disbursement of the net proceeds from the Firm Shares for the uses stated above will depend on various factors which include, among other things, changing market conditions or new information regarding the cost or feasibility of our expansion projects. Our cost estimates may change as we develop our plans, and actual costs may be different from our budgeted costs. To the extent that the net proceeds from the Firm Shares are not immediately applied to the above purposes, we will invest the net proceeds from the sale of the Firm Shares in interest-bearing short term demand deposits and/or money market instruments.

We undertake not to use the net proceeds from the Offer for any purpose, other than as discussed above. Our cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and our management may find it necessary or advisable to alter its plans. In the event of any deviation, adjustment or reallocation in the planned use of proceeds, we shall inform the PSE and the Philippine SEC in writing at least 30 days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, should be approved by the Board of Directors and disclosed to the PSE and the SEC. In addition, we shall submit via the PSE's Electronic Disclosure Generation Technology ("**PSE EDGE**") the following disclosures to ensure transparency in the use of proceeds:

- (a) material disbursements made in connection with the planned use of proceeds from the Firm Shares;
- (b) quarterly progress reports on the application of the proceeds from the Firm Shares on or before the first 15 days of the following quarter; the quarterly progress reports should be certified by our Chief Financial Officer or Treasurer and external auditor;
- (c) annual summary of the application of the proceeds on or before January 31 of the following year, which will be certified by our Chief Financial Officer or Treasurer and external auditor; and
- (d) approval by the Board of Directors of any reallocation on the planned use of proceeds. The actual disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the said actual disbursement or implementation.

The quarterly and annual reports required in items (b) and (c) above must include a detailed explanation for any material variances between the actual disbursements and the planned use of proceeds in this Prospectus, if any. The detailed explanation must state the approval of the Board of Directors as required in item (d) above. We will submit an external auditor's certification of the accuracy of the information reported by us to the PSE and the Philippine SEC in our quarterly and annual reports.

DIVIDENDS AND DIVIDEND POLICY

LIMITATIONS AND REQUIREMENTS

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC. We are permitted under Philippine law to declare cash, property and stock dividends, subject to certain requirements. See “*Description of the Common Shares—Rights Relating to Shares—Dividend Rights of the Common Shares*” on page 214 of this Prospectus.

The approval of the board of directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the total outstanding capital stock (which refers to the total shares of stock subscribed by, under binding subscription agreements with, subscribers or stockholders, whether paid in full or in part, except treasury shares) at a regular or special meeting duly called for the purpose.

The Revised Corporation Code of the Philippines generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the board of directors of the corporation; (ii) when the required consent of any financing institution or creditor to such distribution has not been secured; (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probably contingencies; or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

RECORD DATE AND PAYMENT DATE

Pursuant to existing Philippine SEC rules, any declaration of cash dividends must have a record date not less than 10 nor more than 30 days from the date of declaration. For stock dividends, the record date should not be less than 10 nor more than 30 days from the date of the shareholders’ approval. In either case, the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC. In case no record date is specified for the cash and stock dividend declaration, then the same shall be deemed fixed at 15 days from such declaration.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment by such foreign shareholder was first registered with the BSP.

Pursuant to the “Amended Rules Governing Pre-emptive and other Subscription Rights and Declaration of Stock and Cash Dividends” of the Philippine SEC and the PSE disclosure rules, all cash dividends and stock dividends declared by a company shall be remitted to PDTC for immediate distribution to participants not later than 18 trading days after the record date (the “**Payment Date**”); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends’ listing date. If the stock dividend shall come from an increase in capital stock, all stock dividends shall be credited to PDTC for immediate distribution to its participants not later than twenty (20) trading days from the record date set by the Philippine SEC, which in no case shall be later than the stock dividends’ listing date.

DIVIDEND POLICY

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors (and shareholders, if applicable) may determine and in accordance with law.

The Issuer shall declare cash dividends out of unrestricted retained earnings, subject to applicable Philippine law, rules, and regulations, commitments to creditors and third parties under financing or other agreements, and with due consideration to the need of its subsidiaries and affiliates for funding new and expansion projects.

The Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares.

The Board of the Issuer shall have the authority to amend and update its dividend policy and practices, subject to the requirements of applicable laws, rules and regulations, the availability of cash and unrestricted retained earnings and other circumstances which may restrict the payment of dividends, including but not limited to negative covenants in loan documents with banks and other financial institutions. The decision of the board of directors shall be guided by the result of operations of the corporation as well as its related corporations, as well as future projects and plans and other considerations.

Unless otherwise required by law, the board of directors, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of our earnings, cash flow, return on equity and retained earnings;
- results and financial condition at the end of the year in respect of which the dividend is to be paid and expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on us by any of our financing arrangements and current or prospective debt service requirements; and
- such other factors as the Board deems appropriate.

Since the Issuer is a holding company, failure of HPI to declare and pay dividends will result in the inability for the Issuer to declare and pay dividends. HPI may in time establish formal dividend policies to improve cash flow visibility at the Issuer level.

HISTORY OF DIVIDEND PAYMENT

Neither the Issuer nor HPI, including the former Hann Development Corporation, which was merged with HPI in 2024, has declared dividends.

DIVIDEND POLICY OF THE SUBSIDIARY

HPI has the same dividend policy as the Company.

RECENT SALES OF UNREGISTERED OR EXEMPT SECURITIES, INCLUDING RECENT ISSUANCE OF SECURITIES CONSTITUTING AN EXEMPT TRANSACTION

The Company has issued 1,600,000,000 common shares with a total par value of ₱160,000,000 to HGH pursuant to the application to increase the authorized capital stock as approved by the Philippine SEC on August 30, 2024. In addition, the Company issued 2,000 common shares with a total par value of ₱200.00 to the two independent directors, Mr. Antonio N. Jacinto and Mr. Senen L. Matoto, on May 27, 2025.

EXCHANGE RATES

Fluctuations in the exchange rates between the Philippine Peso and the U.S. dollar and other foreign currencies will affect the equivalent in U.S. dollars or other foreign currencies of the Philippine Peso price of the Offer Shares on the PSE, of dividends distributed in Philippine Pesos by the Issuer, if any, and of the Philippine Peso proceeds received by investors on a sale of the Offer Shares on the PSE, if any. Fluctuations in such exchange rates will also affect the Philippine Peso value of the Issuer's assets and liabilities which are denominated in currencies other than Philippine Pesos.

The following table sets forth certain information concerning the exchange rate as set out in the BSP Daily Reference Exchange Rate Bulletin between the Philippine Peso and the U.S. dollar for the periods and dates indicated, expressed in Philippine Pesos per U.S.\$1.00:

Year	Peso/U.S. dollar exchange rate			
	Period end	Average ⁽¹⁾	High ⁽²⁾	Low ⁽³⁾
2021	50.77	49.25	50.96	47.67
2022	56.12	54.78	50.97	58.99
2023	55.57	55.59	55.92	55.32
2024	58.01	57.29	59.00	55.40
2025				
January	58.36	58.39	58.66	57.85
February	57.90	58.09	58.67	57.86
March	57.38	57.42	57.99	57.17
April	56.25	56.85	57.30	56.25

Notes:

- (1) Average exchange rate quoted on BSP's Reference Exchange Rate Bulletin for the period.
- (2) Highest daily exchange rate quoted on BSP's Reference Exchange Rate Bulletin for the period.
- (3) Lowest daily exchange rate quoted on BSP's Reference Exchange Rate Bulletin for the period.

On May 30, 2025, the closing rate quoted on the BSP Daily Reference Exchange Rate Bulletin was U.S.\$1.00 = ₱55.73.

DETERMINATION OF THE OFFER PRICE

The Offer Price has been set at up to ₱[23.60] per Offer Share. The Offer Price will be determined through a book-building process and discussion among the Company and the Joint Bookrunners. Since the Common Shares have not been listed on any stock exchange, there has been no market price for the Common Shares derived from day-to-day trading.

The factors considered in determining the Offer Price were, among others, our ability to generate and grow our earnings and cash flows, our short and long-term prospects, the present value of the Company's projected cash flows, the level of demand from institutional investors, overall market conditions at the time of launch of the Offer and the market valuation of comparable listed companies. The Offer Price may not have any correlation to the actual book value of the Offer Shares.

CAPITALIZATION

As of March 31, 2025, the Company's authorized capital stock was ₱410,000,000 divided into 4,100,000,000 Common Shares each with a par value of ₱0.10. As of March 31, 2025, there are 2,000,002,000 Common Shares issued and outstanding.

The following table sets forth our capitalization and indebtedness as of March 31, 2025, and as adjusted to give effect to the issuance of the Offer Shares. This table should be read in conjunction with our audited consolidated financial statements as of March 31, 2025 and notes thereto, included in this Prospectus.

	As of March 31, 2025		As of March 31, 2025 as adjusted to give effect to the Offer	
	₱	U.S.\$ ⁽¹⁾	₱	U.S.\$ ⁽¹⁾
	(in millions)			
Debt				
Long-term loans ⁽²⁾	17,053.0	297.2	17,053.0	297.2
Accounts payable	2,124.8	37.0	2,124.8	37.0
Accrued expenses and other payables.....	2,157.3	37.6	2,157.3	37.6
Lease liabilities ⁽³⁾	1,917.2	33.4	1,917.2	33.4
Retirement obligation	125.8	2.2	125.8	2.2
Deferred tax liabilities	4.2	0.1	4.2	0.1
Total Debt⁽⁴⁾	23,382.3	407.5	23,382.3	407.5
Equity				
Capital stock	200.0	3.5	250.0	4.4
Additional paid-in capital	-	-	11,416.8 ⁽⁵⁾	199.0
Remeasurement gain on defined benefit obligation.....	16.7	0.3	16.7	0.3
Retained earnings	11,299.3	196.9	11,238.7 ⁽⁵⁾	195.9
Total Equity	11,516.0	200.7	22,922.3	399.5
Total Capitalization	34,898.2	608.2	46,304.5	807.0

Notes:

- (1) The translation of Philippine Peso amounts into U.S. dollars is provided for convenience only and is unaudited. Amounts in Philippine Pesos were converted to U.S. dollars using the BSP Daily Reference Exchange Rate as of March 31, 2025 of U.S.\$1.00=₱57.38. See "Exchange Rates."
- (2) Long-term loans includes "current portion of long-term loans" and "long-term loans – net of current portion."
- (3) Lease liabilities includes "current portion of lease liabilities" and "lease liabilities – net of current portion."
- (4) Total debt is computed as the sum of "Long-term loans (current and non-current portions)", "Accounts payable", "Accrued expenses and other payables", "Lease liabilities (current and non-current portion)", "Retirement obligation", and "Deferred tax liabilities".
- (5) After deducting underwriting fees and expenses for the Offer. See "Use of Proceeds."

There has been no material change in the capitalization of the Company since March 31, 2025.

DILUTION

If you invest in the Offer Shares, your interest will be diluted for each Offer Share you purchase to the extent of the difference between the offer price per Offer Share and our net tangible book value per Common Share after the Offer. As of March 31, 2025, our net tangible book value per Common Share was ₱[5.76]. Net tangible book value per Common Share represents total consolidated assets minus total consolidated liabilities divided by the total number of Common Shares outstanding.

After giving effect to the sale of the Firm Shares (at an Offer Price of up to ₱[23.60] per Offer Share), and after deducting estimated discounts, commissions, estimated fees and expenses of the Offer, the net tangible book value per Common Share would be ₱[9.17] per Offer Share. At the Offer Price of ₱[23.60], the Common Shares will be purchased at a premium of ₱[3.41] to net tangible book value per Common Share.

The following table illustrates dilution on a per Common Share basis based on an Offer Price of up to ₱[23.60] per Offer Share assuming full exercise of the Overallotment Option:

Offer Price per Offer Share	₱[23.60]
Net tangible book value per Common Share as of March 31, 2025	₱[5.76]
Net tangible book value per Common Share as adjusted after the Offer ⁽¹⁾	₱[9.17]
Dilution to investors in the Offer	₱[3.41]

Note:

(1) Net of estimated expenses, amounting to ₱393,725,260, from the offer and sale of the Firm Shares.

The foregoing computation is based on the consolidated book value of the Company as of March 31, 2025, and does not reflect the total equity attributable to shareholders of the Company as of March 31, 2025. The dilution to investors in the Offer will increase if the basis of the book value was the total equity attributable to shareholders of the Company as of March 31, 2025.

The following table sets forth the shareholdings, and percentage of Common Shares outstanding, of existing and new shareholders of the Company immediately after completion of the Offer, assuming the Overallotment Option is not exercised:

	Number of Shares	%
Existing shareholders	[2,000,002,000]	[80.0]
New investors	[500,001,000]	[20.0]
Total	[2,500,003,000]	[100.0]

[The following table sets forth the shareholdings, and percentage of Common Shares outstanding, of existing and new shareholders immediately after completion of the Offer, assuming full exercise of the Overallotment Option]:

	Number of Shares	%
Existing shareholders	[1,950,001,000]	[78.0]
New investors	[550,002,000]	[22.0]
Total	[2,500,003,000]	[100.0]

See “Risk Factors — Risks Relating to the Offer and the Offer Shares — Future sales of shares in the public market could adversely affect the prevailing market price of the Common Shares and shareholders may experience dilution in their holdings” and “— Investors may incur immediate and substantial dilution as a result of purchasing Common Shares in the Offer” on pages 53 and 54 of this Prospectus.

SELECTED FINANCIAL INFORMATION

The following tables present the summary of selected financial information and should be read in conjunction with the independent auditors' reports and our financial statements, including the notes thereto, included elsewhere in this Prospectus, and the section entitled "Management's Discussion and Analysis of Consolidated Financial Condition and Results of Operations." The summary financial information as of December 31, 2024 and 2023 and for each of the years in the period ended December 31, 2024, 2023 and 2022 and as of March 31, 2025 and the three months period ended March 31, 2025 and 2024 were derived from our audited consolidated financial statements, which were prepared in accordance with PFRS Accounting Standards and were audited by SGV in accordance with the Philippine Standards on Auditing.

The summary financial information below is not necessarily indicative of the results of future operations. Furthermore, the translation of Philippine Peso amounts into U.S. dollars is provided for convenience only and is unaudited. Amounts in Philippine Pesos were converted to U.S. dollars using the BSP Reference Rate as of March 31, 2025 of ₱57.38= U.S.\$1.00.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
	(in million, except for earnings per share)						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
REVENUE							
Gaming	7,396.7	10,175.7	10,988.2	191.5	3,032.9	3,001.2	52.3
Rooms	564.2	771.8	891.8	15.5	199.0	244.1	4.3
Food and beverage	666.5	727.2	663.0	11.6	149.9	159.1	2.8
Other operated departments	12.1	18.6	29.3	0.5	1.3	15.0	0.3
	8,639.5	11,693.3	12,572.3	219.1	3,383.1	3,419.4	59.7
OPERATING COSTS AND EXPENSES							
License and royalty fees	1,551.8	1,760.7	1,879.9	32.8	503.0	493.4	8.6
Personnel costs	1,000.6	1,446.6	1,730.9	30.2	444.5	442.1	7.7
Depreciation and amortization....	1,473.4	1,788.8	1,684.3	29.4	406.0	399.5	7.0
Advertising and promotions	636.2	1,098.2	1,232.0	21.5	369.6	214.6	3.7
Rental	692.4	768.1	820.9	14.3	213.0	208.9	3.6
Taxes and licenses	404.0	649.2	736.3	12.8	194.5	180.8	3.2
Cost of sales	500.4	556.9	556.4	9.7	125.2	121.5	2.1
Outside services and charges	194.8	268.9	360.6	6.3	73.1	90.0	1.6
Utilities	231.1	228.2	311.7	5.4	61.0	82.9	1.4
Software and hardware maintenance	49.6	90.2	170.4	3.0	24.9	44.6	0.8
Operating supplies	146.5	103.0	179.8	3.1	46.3	40.4	0.7
Repairs and maintenance	25.9	28.4	53.4	0.7	12.8	13.2	0.2
Communication and transportation	31.4	29.9	37.5	0.9	7.2	10.7	0.2
Provision for (reversal of) expected credit losses	0.5	1.5	2.5	0.0	(0.0)	(0.0)	(0.0)
Others	235.4	207.0	229.7	4.0	54.3	36.1	0.6
	7,174.0	9,025.5	9,986.4	174.1	2,536.3	2,378.7	41.4
OTHER INCOME (CHARGES)							
Interest expense	(1.7)	(211.9)	(890.8)	(15.6)	(231.7)	(203.9)	(3.5)
Finance charges	(18.3)	(18.7)	(73.5)	(1.3)	(23.8)	(11.3)	(0.2)
Foreign exchange gain – net	24.9	41.8	44.4	0.8	21.4	5.6	0.1
Interest income	18.1	37.4	41.3	0.7	10.1	11.4	0.2
Others – net	1.2	2.1	1.6	0.03	0.5	0.5	0.0
	24.2	(149.3)	(877.0)	(15.3)	(223.5)	(197.5)	(3.5)
INCOME BEFORE INCOME TAX	1,489.7	2,518.4	1,708.9	29.8	624.2	843.0	14.7
PROVISION FOR INCOME TAXES							
Current	0.6	2.1	0.0	0.0	0.2	0.0	0.0

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)
	<i>(in million, except for earnings per share)</i>						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Deferred.....	(0.1)	1.6	1.5	0.0	0.1	0.9	0.0
	<u>0.5</u>	<u>3.7</u>	<u>1.5</u>	<u>0.0</u>	<u>0.3</u>	<u>0.9</u>	<u>0.0</u>
NET INCOME.....	<u>1,489.2</u>	<u>2,514.8</u>	<u>1,707.4</u>	<u>29.8</u>	<u>623.9</u>	<u>842.3</u>	<u>14.7</u>
OTHER COMPREHENSIVE INCOME (LOSS)							
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>							
Remeasurement income (loss) on defined benefit obligation, net of tax.....	(53.1)	74.8	(3.7)	(0.1)	2.0	2.0	0.0
TOTAL COMPREHENSIVE INCOME.....	<u>1,436.1</u>	<u>2,589.6</u>	<u>1,703.7</u>	<u>29.7</u>	<u>625.9</u>	<u>844.4</u>	<u>14.7</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of December 31,				As of March 31,	
	2022	2023	2024	2024	2025	2025
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)
	(in million)					
	₱	₱	₱	U.S.\$	₱	U.S.\$
ASSETS						
Current Assets						
Cash.....	1,967.7	2,415.2	2,099.8	36.6	1,616.5	28.2
Trade and other receivables – net.....	134.3	264.7	231.3	4.0	209.9	3.7
Amounts owed by related parties	40.6	72.4	545.7	9.5	599.9	10.5
Inventories – at cost.....	128.6	110.9	144.9	2.5	122.8	2.1
Other current assets	587.1	919.0	1,010.9	17.6	1,048.1	18.3
Total Current Assets	2,858.3	3,782.2	4,032.6	70.2	3,597.1	62.8
Noncurrent Assets						
Property and equipment – net ...	19,310.0	21,371.2	24,732.9	431.0	25,555.0	445.4
Right-of-use assets – net	1,550.5	1,540.7	1,516.7	26.4	1,524.6	26.6
Other noncurrent assets	207.3	1,053.4	3,487.5	60.8	4,221.4	73.6
Total Noncurrent Assets	21,067.8	23,965.3	29,737.1	518.2	31,301.0	545.5
Total Assets	23,926.1	27,747.5	33,769.7	588.4	34,898.1	608.4
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable	2,036.2	2,385.5	2,572.0	44.8	2,124.8	37.0
Accrued expenses and other payables.....	2,412.4	1,935.8	1,800.2	31.4	2,157.3	37.6
Short-term loans.....	–	–	595.0	10.4	1,300.0	22.7
Current portion of long-term loans	1,202.6	1,440.2	1,434.1	25.0	1,434.2	25.0
Current portion of lease liabilities.....	104.8	118.7	124.0	2.2	126.6	2.2
Amounts owed to related parties	2,065.3	–	–	–	–	–
Total Current Liabilities	7,821.2	5,880.2	6,525.3	113.8	7,142.9	124.5
Noncurrent Liabilities						
Long-term loans – net of current portion	8,180.7	11,299.1	14,688.8	256.0	14,318.8	249.5
Retirement obligation.....	131.0	95.7	121.5	2.1	125.8	2.2
Lease liabilities – net of current portion	1,582.5	1,670.7	1,759.1	30.7	1,790.6	31.2
Deferred tax liabilities	0.2	1.9	3.3	0.1	4.2	0.1
Total Noncurrent Liabilities	9,894.4	13,067.4	16,572.7	288.9	16,239.4	283.0
Total Liabilities.....	17,715.7	18,947.6	23,098.1	402.5	23,382.3	407.5
Equity						
Capital stock.....	30.0	30.0	200.0	3.5	200.0	3.5
Remeasurement gain (loss) on defined benefit obligation ..	(56.4)	18.4	14.7	0.3	16.7	0.3
Retained earnings	6,236.9	8,751.6	10,456.9	182.2	11,299.3	196.9
Total Equity.....	6,210.5	8,800.0	10,671.6	186.0	11,516.0	200.7

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(in million)						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Net cash generated from operating activities	5,229.4	3,372.8	3,218.4	56.1	717.0	1,526.4	26.6
Net cash used in investing activities	(5,409.1)	(3,711.2)	(6,655.6)	(116.0)	(1,040.3)	(2,005.4)	(34.9)

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(in million)						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Net cash generated from financing activities	1,432.6	783.1	3,122.1	54.4	1,322.7	(0.9)	0.0
Net increase (decrease) in cash ..	1,252.9	444.7	(315.1)	(5.5)	999.4	(479.9)	(8.4)
Effect of exchange rate.....	1.1	2.8	(0.3)	0.0	(0.9)	(3.4)	(0.1)
Cash beginning of year/period	713.6	1,967.7	2,415.2	42.1	2,415.2	2,099.8	36.6
Cash at end of year/period	1,967.7	2,415.2	2,099.8	36.6	3,413.7	1,616.5	28.2

SELECTED OPERATING DATA

	As of and for the years ended December 31,			As of and for the three months ended March 31,	
	2022	2023	2024	2024	2025
Net Income (₱ millions)	1,489.2	2,514.8	1,707.4	623.9	842.3
EBITDA ⁽¹⁾ (₱ millions)	2,970.3	4,523.5	4,372.9	1,270.3	1,466.2
EBITDA Margin ⁽²⁾	34.4%	38.7%	34.8%	37.5%	42.9%
Return-on-Assets ⁽³⁾	6.2%	9.1%	5.1	1.8%	2.4%
Debt-to-Equity Ratio ⁽⁴⁾	2.9	2.2	2.2	2.2	2.0
Current Ratio ⁽⁵⁾	0.4	0.6	0.6	0.6	0.5
Asset-to-Equity Ratio ⁽⁶⁾	3.9	3.2	3.2	3.2	3.0
Return-on-Equity ⁽⁷⁾	24.0%	28.6%	16.0%	5.8%	7.3%

Notes:

(1) EBITDA is calculated as net income + depreciation and amortization + interest expense - foreign exchange gain/loss – net +/- other expense/income + finance charges +/- provision for/benefit from income tax.

(2) Calculated as EBITDA / revenue.

(3) Calculated as net income/ average total assets. Average total assets is calculated as the sum of the amounts at the beginning and end of the period divided by two.

(4) Calculated as total liabilities/total equity.

(5) Calculated as current assets/current liabilities.

(6) Calculated as total assets/total equity.

(7) Calculated as net income/average shareholders' equity. Average total equity is calculated as the sum of the amounts at the beginning and end of the period divided by two.

CALCULATION OF EBITDA

The following table presents a reconciliation of EBITDA from net income for each of the periods indicated.

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024	2024	2024	2025	2025
	(in millions)						
	₱	₱	₱	U.S.\$	₱	₱	U.S.\$
Net Income	1,489.2	2,514.8	1,707.4	29.8	623.9	842.3	14.7
Add/(Deduct):							
Depreciation and amortization	1,473.4	1,788.8	1,684.3	29.4	406.0	399.5	7.0
Interest expense	1.7	211.9	890.8	15.6	231.7	203.9	3.5
Foreign exchange gain (loss) - net	(24.9)	(41.8)	(41.3)	(0.7)	(21.4)	(5.6)	(0.1)
Other expense ⁽¹⁾	12.2	27.4	56.7	1.0	6.0	14.1	0.2
Finance charges	18.3	18.7	73.5	1.3	23.8	11.3	0.2
Benefit from (provision for) income tax	0.5	3.7	1.5	0.00	0.3	0.9	0.0
EBITDA	2,970.3	4,523.5	4,372.9	76.3	1,270.3	1,466.2	25.6

Note:

(1) Other expense refers to pre-operating expenses attributable to HDC. Please refer to Note 23 to our audited consolidated financial statements for further information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read this discussion and analysis of the Company's financial condition and results of operations in conjunction with the section entitled "Selected Financial Information" and with the audited consolidated financial statements as of December 31, 2024 and 2023 and for each of the years in the period ended December 31, 2024, 2023 and 2022 (the "audited consolidated financial statements") and as of March 31, 2025 and for the three months period ended March 31, 2025 and 2024 (the "interim audited consolidated financial statements") in each case, including the notes relating thereto, included elsewhere in this Prospectus. The audited consolidated financial statements and the audited consolidated interim financial statements included in this Prospectus were prepared in compliance with PFRS Accounting Standards.

This discussion contains forward-looking statements and reflects the Company's current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" on page 27 and elsewhere in this Prospectus. See "Forward-Looking Statements" on page viii of this Prospectus.

The translation of Philippine Peso amounts into U.S. dollars is provided for convenience only and is unaudited. Amounts in Philippine Pesos were converted to U.S. dollars using the BSP Daily Reference Rate as of March 31, 2025 of U.S.\$1.00 = ₱57.38.

OVERVIEW

Hann Holdings, Inc. ("**HHI**," or the "**Issuer**"), through its subsidiary, Hann Philippines, Inc. ("**HPI**") (together with HHI, the "**Company**" the "**Group**", "**we**," "**us**," or "**our**"), is a leading integrated gaming, entertainment, retail, dining, hospitality and leisure luxury resort developer and operator of the first fully integrated resort leisure destination strategically located in the Clark Freeport Zone ("**Clark**"), Pampanga, in Central Luzon, Philippines according to The Innovation Group. We believe that our strategic location in Clark positions us to capitalize on the region's growing tourism and business activities, offering a unique blend of luxury and convenience for our visitors.

We operate Hann Casino Resort, one of Clark's largest luxury gaming and hospitality complexes, which combines privately-operated gaming facilities with hotel, retail, dining, entertainment and leisure amenities. Our aim is to continue to develop and operate Hann Casino Resort with amenities and facilities similar to that of well-known casino resorts in both Las Vegas and Macau, offering a diverse range of traditional, online and remote gaming options, as well as non-gaming attractions. To complement our operations, we seek to introduce new hotels and gaming and non-gaming attractions to cater to our target market in Hann Reserve, including three designer 18-hole championship golf courses together with an exclusive affiliation with the Professional Golfers' Association of America ("**PGA**"). See "*Business—Expansion Plans.*" According to The Innovation Group, the development of the three golf courses in Hann Reserve would cement Clark as a top destination for golfers, and Hann Reserve as one of the unique integrated resorts in the region.

We believe that Hann Casino Resort is one of the major attractions in Clark and is easily accessible by visitors. It is located in proximity to the Clark International Airport, the Subic-Clark-Tarlac Expressway ("**SCTEX**"), and the upcoming North-South Commuter Railway ("**NSCR**"). Hann Casino Resort comprises (i) an integrated gaming, entertainment and retail space offering table games, slot machines, electronic gaming, live entertainment, and food and beverage offerings, and (ii) two internationally-branded five-star hotels, Clark Marriott Hotel and Swissôtel Clark Philippines, offering accommodation, dining, conference and leisure services.

We are developing the first phase of Hann Reserve, a luxury mountain resort which would feature public parks, villas developed by a well-known international luxury brand, and a clubhouse, complemented by two 18-hole championship golf courses, each designed by Nicklaus Design and KJ Choi, and with an exclusive affiliation with the PGA. See "*Business—Expansion Plans*" and "*Use of Proceeds.*" Hann Reserve is a 455.6-hectare master planned mixed-use development in New Clark City, Tarlac, Central Luzon, Philippines ("**New Clark City**") and will entirely be developed by HPI. We expect the first phase of Hann Reserve to be completed by 2030. The second phase of Hann Reserve is expected to be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, Emblems, and SO, among others, as well as a mixed-use commercial center, an additional 18-hole championship golf course and other facilities. We expect the development of Hann Reserve and any future development of our affiliates to increase foot traffic and customer interest in our casino, hotels and other facilities in the Hann Casino Resort.

HPI holds a Gaming License issued by the Philippine Amusement and Gaming Corporation (“**PAGCOR**”) that allows us to develop and operate our casino and gaming facilities to cater to a broad range of local and international visitors. In addition, HPI has received authorizations to engage in remote and online gaming through its unified platform, Hann Live Online. We welcome a variety of gaming patrons, including the following:

- VIP players, which comprise players on a rolling chip program or in higher limit games, playing almost exclusively in dedicated VIP rooms or designated casino or gaming areas. VIP players may also include players introduced by independent gaming promoters and former Mass Market players who chose to play high limit games; and
- Mass Market players, which comprise players choosing lower limit games, table games and slot machines, and who do not participate on rolling chip programs.

As of March 31, 2025, Hann Casino Resort had 240 gaming tables, 1,162 slot machines and 72 electronic table games. It features non-gaming facilities, such as the 8th Avenue Mall and Hann Signatures, a premium retail outlet offering a selection of gadgets, liquors, perfumes, watches and accessories catered to gaming and non-gaming patrons. In addition, we are committed to enhancing our players’ gaming experience by integrating online and offline games, leveraging partnerships with online gaming providers. See “*Business—Operations— Casino and Gaming.*” To accommodate the growing number of players, we began the construction of our two-floor gaming floor extension, which is expected to add over 60 gaming tables and more than approximately 500 slot machines, along with a multilevel parking structure with approximately 330 parking slots. See “*Business—Expansion Plans —GCE Expansion*”

Our two internationally-branded five-star hotels, the Clark Marriott Hotel and Swissôtel Clark Philippines, cater to international and local business and leisure customers. As of the date of this Prospectus, our hotels are two out of only three five-star hotels located in Clark and the entire Central Luzon according to The Innovation Group . The Clark Marriott Hotel is the first five-star hotel in Central Luzon, with 260 rooms and suites, three restaurants, a lobby lounge, a bar and a coffee outlet. On the other hand, the Swissôtel Clark Philippines is the first Swissôtel hotel in the Philippines, with 372 rooms and suites, five restaurants, three bars, and a lounge. Our hotels were given Traveler’s Choice Awards by Trip Advisor and named as the Philippines Best Leading Lifestyle Hotel at the 30th World Travel Awards in 2024. See “*Business—Operations— Hotels.*”

For the years ended December 31, 2022, 2023 and 2024 we had total revenue of ₱8,639.5 million, ₱11,693.3 million and ₱12,572.3 million (U.S.\$219.1 million), respectively, and total comprehensive net income of ₱1,1436.0 million, ₱2,589.6 million and ₱1,703.7 million (U.S.\$29.7 million), respectively. For the three months ended March 31, 2024 and 2025, our total comprehensive net income was ₱625.9 million and ₱844.4 million (U.S.\$ 14.7 million), respectively.

As of December 31, 2024 and March 31, 2025, we had total consolidated assets of ₱33,769.7 million and ₱34,898.1 million (U.S.\$608.4 million), respectively.

FACTORS AFFECTING RESULTS OF OPERATIONS

Our results of operations are affected by various factors. Set out below is a discussion of the most significant factors that have affected our results in the past, and which we expect to affect our results in the foreseeable future. Factors other than those discussed below could also have a significant impact on our results of operations and financial condition in the future.

Growth of the Philippine Gaming and Tourism Markets

The growth of the domestic gaming market and levels of tourism in the Philippines have been and are expected to continue to be key drivers of our business. The casino market in the Philippines is supported by, among other things, the country’s strong population growth, a relatively young population age, a growing middle-income population arising from significant growth in inbound remittance from Overseas Filipino Workers as well as quickening wage growth among the general Filipino population, which indicates rising spending power and improvements in general sentiment. Visitors travelling to Hann Casino Resort come from nearby countries in Asia including South Korea, China, and Japan, as well as the United States. These visitors significantly impact nongaming revenues at Hann Casino Resort, including our hotels, retail, food and beverage and other nongaming products and services.

We believe that foot traffic at Hann Casino Resort and GGR growth for the Philippine market have been, and will continue to be, driven by a combination of factors. In particular, we believe that we are well positioned- to benefit from the Government's efforts to drive tourism growth in Central Luzon, and particularly in Clark. While additional integrated tourism resorts may compete with us for domestic and international customers, we believe that Clark's positioning as a tourist destination will have a positive impact across the gaming and non-gaming sectors in Central Luzon and the Philippines, including on our business. According to The Innovation Group, other factors affecting the Philippine gaming and tourism markets include growth in the Philippine economy, the level of regional wealth in Asia which, should it continue to increase, is expected to lead to a growing middle class with rising disposable income, Clark's accessibility to major Asian population centers through its international airport, and infrastructure improvements that are expected to facilitate more convenient travel to and within Clark.

Economic Conditions of the Philippines

We derive all of our revenue from our operations in the Philippines. Accordingly, we are heavily dependent on the state of the Philippine economy generally, and our growth is driven in significant part by growth in the Philippine economy. The economic conditions in the Philippines have a correlation to consumer spending and sentiment. While we believe that the growth of the Philippine economy will provide our business with a positive growth environment, any deterioration in the Philippine economy may negatively affect domestic consumer sentiment and lead to a reduction in demand for our products and services. Deterioration in the economics of other countries may also negatively affect our business. For example, a slowdown in the global economy, contracting credit markets, reduced consumer spending and COVID-19, have negatively impacted economies worldwide, which led to decreased activity within the gaming and hospitality industries, among many other industries.

Competition

While Hann Casino Resort offers the first integrated gaming, entertainment, leisure and hospitality resort destination in Central Luzon, our results of operations may be impacted by other Philippine and foreign owned hotels and resorts.

The gaming market in Clark is occupied by both domestic and foreign owned casinos, which may, to the extent they have not already done so, collaborate with international gaming and other companies for the development of their integrated tourism resorts. Such international gaming companies may have greater experience or resources than the Company in constructing and operating resorts and gaming establishments. The Philippine gaming market is also comprised of other gambling competitors specializing in horse racing, lotteries, sweepstakes, online gaming operators and other smaller-scale gaming operators.

In addition to competition in Clark and in other regions in the Philippines, we compete for domestic and foreign patrons in established foreign gaming destinations such as Macau, Singapore, Malaysia, South Korea, Vietnam and Australia. Our future results of operations will depend on our effectiveness in distinguishing our offerings from competitors, retaining our existing VIP and Mass Market customers, as well as attracting new Mass Market customers. For more details, see "*Business—Competition*" and "*Risk Factors—Risks Relating to our Business—We face significant competition in Clark, the Philippines and elsewhere in Asia, which could limit our ability to maintain or increase our market share and maintain or increase our profitability.*"

Tax and Incentives Regime

The Philippine gaming industry is highly regulated, and we are subject to gaming regulations for our casino operations, as well as other laws and regulations covering our non-gaming operations. Our results of operations are expected to continue to be affected by the nature and extent of the regulation of our businesses, including the time and cost involved in procuring approvals for our business plans and projects. Gaming regulations and tax rates applicable to gaming companies are also subject to change which, if strictly enforced, could further impact our results of operations. See "*Regulatory and Environmental Laws.*"

We are subject to license fees payable to PAGCOR on a monthly basis and amounting to 15% on GGR from VIP tables, 10% on GGR from junket operations, and 25% on GGR from Mass Market tables, and EGMs, which comprise slot machines and ETG. These license fees are inclusive of the 5% franchise tax on GGR and is payable quarterly to the Government, through the BIR, as provided in an amendment to our Gaming License on June 27, 2022.

We were issued a Certificate of Registration and Tax Exemption and a Permit-to-Operate, which was converted to an Authority to Operate, as a Clark Special Economic Zone enterprise which grants us the incentive and privilege of paying 5.0% tax on gross income earned from its gaming operations in lieu of national and local taxes and an entitlement to tax exemption and duty-free importation of casino and other gaming equipment including supplies and materials necessary and directly related to our business. The income from related operations/services or from non-gaming operations is subject to corporate income tax and value-added tax.

On January 13, 2025, the CDC issued a revised Authority to Operate to HPI pursuant to RA No. 12066, otherwise known as the Corporate Recovery and Tax Incentives for Enterprise to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Law, which will be effective from November 28, 2024 to April 30, 2027. This restored HPI's tax incentives on VAT zero rating and exemption on local purchases and importations, respectively.

The loss or modification of any of these preferential tax treatment and other benefits could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Number and Mix of Table Games, Slot Machines and EGMs

We expect the mix of VIP table games, mass table games, slot machines and EGMs at Hann Casino to change from time to time, subject to applicable PAGCOR requirements, as a result of marketing and operating strategies in response to changing market demand and industry competition. In addition, we launched our online and remote gaming platform, Hann Live Online, in 2025. Any shift in the mix of Hann Casino's games may affect our profitability as our profit margins and applicable license fees and tax rates on GGR imposed by the Government vary according to the type of customers and casino games that they participate in. Win rate volatility may also impact our results of operations from period to period. See *"Risk Factors—Risks Relating to our Business—The win rates for the Company's gaming operations, particularly from its VIP operations, depend on a variety of factors and may be subject to volatility."*

Success of Non-gaming Operations and the Ability to Drive Increased Visitation

The success of our overall business has historically been and will continue to be impacted by our non-gaming operations, including our hotels, retail offerings, food and beverage, entertainment, and others. Revenues from our non-gaming operations have historically had a positive impact on our results of operations. In the years ended December 31, 2022, 2023 and 2024, we recorded revenues from non-gaming operations of ₱1,242.8 million, ₱1,517.6 million, and ₱1,584.1 million, respectively, and ₱350.1 million and ₱418.2 million in the three months ended March 31, 2024 and 2025, respectively equivalent to 14.4%, 13.0%, 12.6%, 10.3% and 12.2%, of our total revenue for each period, respectively. These increases in non-gaming revenues are partially a reflection of the gradual completion of new hotels, restaurants and other features of Hann Casino Resorts since its opening on December 15, 2021, as well as our success in promoting the resort's many non-gaming attractions which appeal to a wide demographic of patrons.

The success of our non-gaming attractions is important in driving increased visitation to the gaming areas at Hann Casino Resort, and we expect that these non-gaming features will continue to distinguish our casino from other casinos in Clark, Central Luzon and elsewhere in the Philippines for the foreseeable future. Through expansion and enhancements to our non-gaming features, we intend to continue to balance the preferences and requirements of our various patrons to grow both our gaming and non-gaming businesses.

Construction and Operation of Hann Reserve and other Expansion Projects

Our results of operations are, and will continue to be, significantly affected by the ongoing development, construction and commencement of operations of Hann Reserve and other expansion projects, such as development of PGA affiliated golf courses, up to 50 luxury villas by a well-known international luxury brand, and a clubhouse. The second phase of Hann Reserve is expected to be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, and SO, among others, as well as a mixed-use commercial center in addition to other facilities. In November 2022, we broke ground on the first phase of Hann Reserve, a luxury estate development in New Clark City, which is expected to be completed by 2026. The first phase of Hann Reserve is expected to include two 18-hole championship golf courses designed by Nicklaus Design and KJ Choi, luxury villas and a clubhouse. We expect to incur significant expenses in relation to the construction of Hann Reserve and have incurred debt to finance its construction and development. We also expect to incur significant pre-opening expenses, such as employee training and advertising costs. We may also exceed projected and budgeted costs, which in turn could impact our ability to finance or complete the

development of the project. In the future, we expect our results of operations to depend on our ability to achieve revenue growth through the facilities to be built at Hann Reserve and by attracting and maintaining visitors while expanding operations in a cost-efficient manner.

Access to and Cost of Financing

Our ability to obtain financing, as well as the cost of such financing, affects our business. Although we expect that all of our estimated expenses for the construction of Hann Reserve will be sufficiently funded by our existing financing agreements, several factors may result in us requiring additional financing in relation to the ongoing construction and operations of Hann Reserve.

Our ability to access such additional financing is subject to a variety of factors, including interest rates and other funding costs and market conditions. Any lack of access or higher costs in relation to additional financing we may require could negatively impact our plans to complete, operate, expand and develop Hann Reserve without delay. See “*Risk Factors—Risks related to our Business—Certain of our credit facilities contain covenants that restrict our ability to engage in certain transactions.*”

CRITICAL ACCOUNTING POLICIES AND BASIS OF PREPARATION AND SIGNIFICANT JUDGMENTS AND ESTIMATES

We prepare our financial information in conformity with PFRS Accounting Standards. Critical accounting policies are those that are both (i) relevant to the presentation of our financial condition and results of operations and (ii) require management’s most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgments become even more subjective and complex. In order to provide an understanding of how our management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, we have identified our critical accounting judgments, estimates and assumptions in Note 3 to our audited consolidated financial statements and audited consolidated interim financial statements included elsewhere in this Prospectus.

The main items subject to critical accounting estimates and assumptions by management are in respect of:

- Identification of contracts with customers;
- Identifying performance obligations;
- Determination and allocation of the transaction price;
- Estimating incremental borrowing rate in connection with measuring lease liabilities;
- Provisions for expected credit losses of receivables;
- Credit-impaired financial assets;
- Estimating allowance for inventory obsolescence;
- Impairment of nonfinancial assets;
- Retirement and other retirement benefits; and
- Estimating realizability of deferred tax assets.

DESCRIPTION OF KEY LINE ITEMS

Our results of operations with respect to the years ended December 31, 2022, 2023 and 2024, and each of the three months ended March 31, 2024 and 2025, are based on, and should be read in conjunction with, the audited consolidated financial statements and the audited consolidated interim financial statements, and related notes thereto, included elsewhere in this Prospectus.

Revenue

Revenue comprises (i) gaming, (ii) rooms, (iii) food and beverage, (iv) other operated departments and (v) other casino income.

The table below summarizes the revenue contribution of each component of our revenue for the periods indicated:

	For the years ended December 31,						For the three months ended March 31,			
	2022		2023		2024		2024		2025	
	(₹ in million or percentage of revenue)									
Gaming	7,396.7	85.6%	10,175.7	87.0%	10,988.2	87.4%	3,032.9	89.7%	3,001.2	87.8%
Rooms.....	564.2	6.5%	771.8	6.6%	891.8	7.1%	199.0	5.9%	244.1	7.1%
Food and beverages	666.5	7.7%	727.2	6.2%	663.0	5.3%	149.9	4.4%	159.1	4.7%
Other operated departments.....	12.1	0.1%	18.6	0.2%	29.3	0.2%	1.3	0.0%	15.0	0.4%
Total revenue from contracts with customers	8,639.5	100.0%	11,693.3	100.0%	12,572.3	100.0%	3,383.1	100.0%	3,419.4	100.0%

Gaming revenue refers to revenue from contracts with customers, which comprises (i) revenue from slot machines, and (ii) revenue from table games, which include revenue from EGMs. We recognize revenue from contracts with customers in respect of gaming revenue at the conclusion of the play that usually occurs within a single gaming day.

Our revenue from rooms refer to revenue from the use of our hotel rooms and provision of services at the Clark Marriot Hotel and Swissôtel Clark Philippines. Our revenue from food and beverage refer to revenue recognized from sales at our restaurants, cafes and bars. Our revenue from other operated departments refers to revenue recognized from offering services to hotel customers other than accommodations and food and beverage, such as revenue from amenities, laundry services and rental of hotel facilities.

We recognize revenue from rooms, food and beverage, and other operated departments when the services are performed.

Operating Costs and Services

The table below summarizes our operating costs and services for the periods indicated:

	For the years ended December 31,						For three months ended March 31,			
	2022		2023		2024		2024		2025	
	(P in million or percentage of cost)									
License and royalty fees	1,551.8	21.6%	1,760.7	19.5%	1,879.9	18.8%	503.0	19.8%	493.4	20.7%
Personnel costs.....	1,000.6	13.9%	1,446.6	16.0%	1,730.9	17.4%	444.5	17.5%	442.1	18.6%
Depreciation and amortization	1,473.4	20.5%	1,788.8	19.8%	1,684.3	16.9%	406.0	16.0%	399.5	16.8%
Advertising and promotions	636.2	8.9%	1,098.2	12.2%	1,232.0	12.3%	369.6	14.6%	214.6	9.0%
Rental	692.4	9.7%	768.1	8.5%	820.9	8.2%	213.0	8.4%	208.9	8.8%
Taxes and licenses	404.0	5.6%	649.2	7.2%	736.3	7.4%	194.5	7.7%	180.8	7.6%
Cost of sales.....	500.4	7.0%	556.9	6.2%	556.4	5.6%	125.2	4.9%	121.5	5.1%
Outside services and charges	194.8	2.7%	268.9	3.0%	360.6	3.6%	73.1	2.9%	90.0	3.8%
Utilities	231.1	3.2%	228.2	2.5%	311.7	3.1%	61.0	2.4%	82.9	3.5%
Software and hardware maintenance	49.6	0.7%	90.2	1.0%	170.4	1.7%	24.9	1.0%	44.6	1.9%
Operating supplies	146.5	2.0%	103.0	1.1%	179.8	1.8%	46.3	1.8%	40.4	1.7%
Repairs and maintenance	25.9	0.4%	28.4	0.3%	53.4	0.5%	12.8	0.5%	13.2	0.6%
Communication and transportation	31.4	0.4%	29.9	0.3%	37.5	0.4%	7.2	0.3%	10.7	0.5%
Provision for (reversal of) expected credit losses.....	0.5	0.0%	1.5	0.0%	2.5	0.0%	0.0	0.0%	(0.0)	0.0%
Others.....	235.4	3.3%	207.0	2.3%	229.7	2.3%	54.3	2.1%	36.1	1.5%

For the years ended December 31,						For three months ended March 31,			
2022		2023		2024		2024		2025	
(P in million or percentage of cost)									
7,174.0	100.0%	9,025.6	100.0%	9,986.4	100.0%	2,535.4	100.0%	2,378.7	100.0%

The top components of cost and expenses are the following:

- License and royalty fees primarily represent expenses incurred under our license agreement with PGA, our hotel management agreement with Renaissance Hotels International Corporation Limited (Philippine Branch) (“RHICL”), license and royalty agreement with Marriott, and franchise agreement with S&P Inc. These also include payments to PAGCOR for (a) qualifying fees, which are due from each active or registered player entering the casino, and (b) license fees, computed as a percentage of GGR from (i) high roller tables, (ii) non-high roller tables; (iii) slot machines, (iv) electronic gaming machines; and (v) junket operations, in connection with HPI’s Gaming License.
- Personnel costs refer to basic compensation and all other benefits paid to our employees, including retirement benefits and post-employment benefits.
- Depreciation and amortization expenses refer to the depreciation of our property and equipment, including those in respect of our right-of-use assets, on a straight-line basis and over their respective useful lives ranging between three to 25 years.
- Advertising and promotions expenses cover expenses related to property launches, brand awareness campaigns, digital and offline media placements, participation in expos, collaboration with marketing partners, customer engagement activities, sponsorships, giveaways and similar marketing-related expenses. These also include marketing fees paid under our international services agreement with Global Hospitality Licensing.
- Rental expenses refer largely to our monthly lease rental [paid to the CDC] for the gaming area and office space. These include fixed lease payments and variable lease payments, such as the rental fee equivalent to 5% of the Group’s GGR.
- Taxes and licenses refer to payments made to relevant regulatory agencies in the conduct of the Group’s business, including the remittance of the 5% franchise tax on GGR to the BIR, as well as other taxes and licenses required for the Group’s operations.
- Cost of sales refers to cost of food and beverage sales, costs for gaming supplies, food and beverage supplies, and general and other supplies necessary for the day-to-day functioning of the Group’s facilities.
- Outside services and changes refer to the cost of third party and professional services, such as audit services, legal services, security services, environmental services (waste removal), cleaning services (pest control) and consultancy services, among others.
- Utilities costs refer to the cost of services required to operate our business, including water, gas, and electricity, and other essential utilities necessary for maintaining operations across our facilities.
- Others include donations, insurance, dues, subscriptions and miscellaneous expenses.

Other Income (Charges)

Other Income (Charges) include interest expense, finance charges, foreign exchange gain, interest income, finance costs, bank charges, and others, such as pre-operating expenses related to Hann Development Corporation (“HDC”).

The top three components of operating income and charges are the following:

- Interest expense refers to interest paid under financing agreements with our creditors. This also includes interest expense on leases.

- Interest income refers to interest earned from cash, short-term investments, and debt service reserve accounts. This also includes accretion of interest on the security deposit paid in relation to our lease agreement with the BCDA.
- Finance charges refer to quarterly commission and commitment fees paid in relation to our irrevocable lines of credit. This also includes the amortization, over the term of the related debt, of our debt issuance costs, representing fees incurred to obtain project financing.

Provision for Income Tax

Provision for income tax pertains to the higher of regular corporate income tax or minimum corporate income tax, along with deferred tax, if any.

Remeasurement Income (Loss) on Defined Benefit Obligation

Remeasurement Income (Loss) on Defined Benefit Obligation refers to our unfunded, noncontributory defined benefit retirement plan covering all our regular and full-time employees in accordance with Philippine laws. The plan provides for retirement, separation, disability and death benefits to regular employees.

RESULTS OF OPERATIONS

For the three months ended March 31, 2025 compared to the three months ended March 31, 2024

	(Audited) For the three months ended March 31,			% Increase (Decrease)
	2024	2025	2025	
	(in millions of ₱)		(U.S.\$ in millions)	
Revenue				
Gaming	3,032.9	3,001.2	52.3	(1.0)%
Rooms	199.0	244.1	4.3	22.7%
Food and beverage	149.9	159.1	2.8	6.2%
Other operated departments	1.3	15.0	0.3	1,082.4%
	<u>3,383.1</u>	<u>3,419.4</u>	<u>59.7</u>	<u>1.1%</u>
Operating costs and expenses	<u>2,535.4</u>	<u>2,378.7</u>	<u>41.4</u>	<u>(6.2)%</u>
Other income (charges)				
Interest expense	(231.7)	(203.9)	(3.5)	(12.0)%
Finance Charges	(23.8)	(11.3)	(0.2)	(52.7)%
Foreign exchange gain – net	21.4	5.6	0.1	(73.8)%
Interest income	10.1	11.4	0.2	12.7%
Others	0.5	0.5	0.0	15.9%
	<u>(223.5)</u>	<u>(197.5)</u>	<u>(3.5)</u>	<u>(11.6)%</u>
Income before income tax	<u>624.2</u>	<u>843.2</u>	<u>14.7</u>	<u>35.1%</u>
Provision for Income Tax				
Current	0.2	0.0	0.0	(100.0)%
Deferred	0.1	0.9	0.0	751.0%
	<u>0.3</u>	<u>0.9</u>	<u>0.0</u>	<u>211.4%</u>
Net income	<u>623.9</u>	<u>842.3</u>	<u>14.7</u>	<u>35.0%</u>
Other comprehensive income (loss)				
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement income (loss) on defined benefit obligation, net of tax	2.0	2.0	0.0	3.9%
Total comprehensive income	<u>625.9</u>	<u>844.4</u>	<u>14.7</u>	<u>34.9%</u>

Revenue

Total revenue increased by 1.1%, to ₱3,419.4 million (U.S.\$59.7 million) for the three months ended March 31, 2025 compared to ₱3,383.1 million for the three months ended March 31, 2024, primarily due to the following:

- Gaming revenue slightly decreased by 1.0% to ₱3,001.2 million (U.S.\$52.3 million) for the three months ended March 31, 2025 compared to ₱3,032.9 million for the three months ended March 31, 2024, primarily due to decreases in non-high and high-rolling revenues. Nevertheless, GGR increased by 0.3% for the three months ended March 31, 2025.
- Rooms revenue increased by 22.7% to ₱244.1 million (U.S.\$4.3 million) for the three months ended March 31, 2025 compared to ₱199.0 million for the three months ended March 31, 2024, primarily due to higher demand for Government group bookings for Clark Marriott Hotel and an increase in room sales across contracted segments, airline crews, and corporate negotiated accounts for Swissôtel Clark Philippines.
- Food and beverage revenue increased by 6.2% to ₱159.1 million (U.S.\$2.8 million) for the three months ended March 31, 2025 compared to ₱149.9 million for the three months ended March 31, 2024, primarily due to (i) higher demand for on-site dining options and all-inclusive meal packages and an increase in bookings for the hotel's banquet facilities.

Operating costs and expenses

Our operating costs and expenses are broken down as follows:

	(Audited) For the three months ended March 31,			% Increase (Decrease)
	2024	2025	2025 (U.S.\$ in millions)	
	(in millions of ₱)			
Operating costs and expenses				
Licensing and royalty fees	503.0	493.4	8.6	(1.9)%
Personnel cost.....	444.5	442.1	7.7	(0.5)%
Depreciation and amortization	406.0	399.5	7.0	(1.6)%
Advertising and promotion	369.6	214.6	3.7	(41.9)%
Rental	213.0	208.9	3.6	(1.9)%
Taxes and licenses.....	194.5	180.8	3.2	(7.0)%
Cost of sales	125.2	121.5	2.1	(3.0)%
Outside services and charges	73.1	90.0	1.6	23.0%
Utilities.....	61.0	82.9	1.4	36.0%
Software and hardware maintenance	24.9	44.6	0.8	78.7%
Operating supplies.....	46.3	40.4	0.7	(12.7)%
Repairs and maintenance.....	12.8	13.2	0.2	2.8%
Communication and transportation	7.2	10.7	0.2	48.6%
Provision (reversal) for expected credit losses.....	0.0	(0.0)	(0.0)	(45.9)%
Others	54.3	36.1	0.6	(33.6)%
Total	2,535.4	2,378.7	41.4	(6.2)%

Total operating costs and expenses decreased by 6.2% to ₱2,378.7 million (U.S.\$41.4 million) for three months ended March 31, 2025 compared to ₱2,535.4 million for the three months ended March 31, 2024, primarily due to the following:

- Licensing and royalty fees decreased by 1.9% to ₱493.4 million (U.S.\$8.6 million) for the three months ended March 31, 2025 compared to ₱503.0 million for the three months ended March 31, 2024, mainly due to a ₱13.0 million decline in casino fees, primarily driven by lower non-high roller revenues, which serve as the basis for computing licensing fees. While GGR increased by 0.3% in the three months ended March 31, 2025 compared to the same period last year, the significant drop in the non-high roller and EGM segments, which were partially offset by an increase in junket table segments, contributed to the decrease in license fees. Other revenue streams, despite showing increases, had only a minimal impact on the overall fee. This decline was partially offset by a ₱3.25 million increase in franchise fees and other hotel-related fees such as management, incentive, and royalty fees.
- Personnel cost slightly decreased by 0.5% to ₱442.1 million (U.S.\$7.7 million) for the three months ended March 31, 2025 compared to ₱444.5 million for the three months ended March 31, 2024, primarily due to the payment of discretionary management bonuses in the three months ended March 31, 2025, which were not paid in the three months ended March 31, 2024.

- Depreciation and amortization expenses decreased by 1.6% to ₱399.5 million (U.S.\$7.0 million) for the three months ended March 31, 2025 compared to ₱406.0 million for the three months ended March 31, 2024, primarily due to the full depreciation of several property, plant and equipment over their useful lives in prior period.
- Advertising and promotions costs decreased by 41.9% to ₱214.6 million (U.S.\$3.7 million) for the three months ended March 31, 2025 compared to ₱369.6 million for the three months ended March 31, 2024, primarily due to more cost effective marketing efforts and certain promotional activities which were not repeated in the three months ended March 31, 2025.
- Rental expenses decreased by 1.9% to ₱208.9 million (U.S.\$3.6 million) for the three months ended March 31, 2025 compared to ₱213.0 million for the three months ended March 31, 2024, primarily due to the combined downward and upward effects of foreign currency translation, as payments to CDC are made in foreign currency, and an increase in hotel revenues, respectively.
- Taxes and licenses fees decreased by 7.0% to ₱180.8 million (U.S.\$3.2 million) for the three months ended March 31, 2025 compared to ₱194.5 million for the three months ended March 31, 2024, primarily due to the payment of documentary stamp tax associated on loan transactions in the previous period.
- Operating supplies expense decreased by 12.7% to ₱40.4 million (U.S.\$0.7 million) for the three months ended March 31, 2025 compared to ₱46.3 million for the three months ended March 31, 2024, primarily due to a reduction in the volume of complimentary items provided to guests and a decreased use of supplies for promotional campaigns.
- Cost of sales decreased by 3.0% to ₱121.5 million (U.S.\$2.1 million) for the three months ended March 31, 2025 compared to ₱125.2 million for the three months ended March 31, 2024. Despite an increase in food and beverage revenue, the cost of sales declined primarily due to cost management strategies, such as aggressive price negotiations, improved inventory controls, and consistent alignment among the finance, procurement, and operational departments.
- Other expenses decreased by 33.6% to ₱36.1 million (U.S.\$0.6 million) for the three months ended March 31, 2025 compared to ₱54.3 million for the three months ended March 31, 2024, primarily due to decreases in insurance, donations, entertainment and representation expenses, which were partially offset by expenses incurred in support of the Company's ongoing expansion and growth such as property operations and maintenance.

Other Income (Charges)

Total other charges decreased by 11.6% to ₱197.7 million (U.S.\$3.5 million) for the three months ended March 31, 2025 compared to ₱223.5 million for the three months ended March 31, 2024, primarily due to the following:

- Interest expense decreased by 12.0% to ₱203.9 million (U.S.\$3.5 million) for the three months ended March 31, 2025 compared to ₱231.7 million for the three months ended March 31, 2024, primarily due to repayments of the principal portion of bank loans made in the prior period.
- Finance charges decreased by 52.7% to ₱11.3 million (U.S.\$0.2 million) for the three months ended March 31, 2025 compared to ₱23.8 million for the three months ended March 31, 2024, primarily due to higher amortization of debt issuance costs in the previous year, and a decline of commitment fees/commissions paid on a standby letter of credit during the period.
- Foreign exchange gain decreased by 73.8% to ₱5.6 million (U.S.\$0.1 million) for the three months ended March 31, 2025 compared to ₱21.4 million for the three months ended March 31, 2024, primarily due to (i) gains realized from buying and/or selling foreign currencies, net of applicable taxes and (ii) the rise in the exchange rate base, as determined by the average BSP rate, contributed to the enhanced foreign exchange gains during the period.
- Interest income increased by 12.7% to ₱11.4 million (U.S.\$0.2 million) for the three months ended March 31, 2025 compared to ₱10.1 million for the three months ended March 31, 2024, primarily due to interest on special savings account placements.

Income before Income Tax

As a result of the foregoing, our income before income tax increased by 35.1% to ₱843.0 million (U.S.\$14.7 million) in the three months ended March 31, 2025 from ₱624.2 million in the three months ended March 31, 2024.

Provision for Income Tax

Our provision for income tax increased by 211.4% to ₱0.9 million (U.S.\$0.0 million) in the three months ended March 31, 2025 from ₱0.3 million in the first quarter of the year ended March 31, 2024 primarily due to the increase in deferred taxes. Our provision for income tax is broken down as follows:

	(Audited)			
	For the three months ended March 31,			
	2024	2025	2025	% Increase
			(U.S.\$ in	(Decrease)
	(in millions of ₱)		millions)	
Provision for income tax				
Current.....	0.2	0.0	0.0	(100.0)%
Deferred.....	0.1	0.9	0.0	751.0%
Total	0.3	0.9	0.0	211.4%

- Current tax was nil as of March 31, 2025 compared to ₱0.2 million for the three months ended March 31, 2024, primarily due to the increase in expenses deductible from the regular corporate income tax.
- Deferred tax increased by 751.0% to ₱0.9 million (U.S.\$0.0 million) for the three months ended March 31, 2025 compared to ₱0.1 million for the three months ended March 31, 2024, primarily due to the recognition of deferred tax on lease liabilities on additional bank-financed transportation equipment.

Net income

As a result of the foregoing, net income increased by 35.0% to ₱842.3 million (U.S.\$14.7 million) for the three months ended March 31, 2025 from ₱623.9 million for three months ended March 31, 2024.

Remeasurement income (loss) on defined benefit obligation, net of tax

We had a remeasurement income on defined benefit obligation, net of tax of ₱2.0 million (U.S.\$ 0.0 million) for the three months ended March 31, 2025 compared to a remeasurement income of ₱2.0 million for the three months ended March 31, 2024 primarily due to changes in financial assumptions and actuarial valuations, such as discount rates used.

Total comprehensive income

As a result of the foregoing, our total comprehensive income increased by 34.9% to ₱844.4 million (U.S.\$ 14.7 million) for the three months ended March 31, 2025 compared to ₱625.9 million for the three months ended March 31, 2024.

Year ended December 31, 2024 compared to year ended December 31, 2023

(Audited)				
For the year ended December 31,				
	2023	2024	2024	% Increase (Decrease)
	(in millions of ₱)		(U.S.\$ in millions)	
Revenue				
Gaming	10,175.7	10,988.2	191.5	8.0%
Rooms	771.8	891.8	15.5	15.6%
Food and beverage	727.2	663.0	11.6	(8.8)%
Other operated departments	18.6	29.3	0.5	57.3%
	11,693.3	12,572.3	219.1	7.5%
Operating costs and expenses	9,025.6	9,986.4	174.1	10.6%
Other income (charges)				
Interest expense	(211.9)	(890.8)	(15.6)	320.4%
Finance charges	(18.7)	(73.5)	(1.3)	293.3%
Interest income	37.4	44.4	0.8	18.8%
Foreign exchange gain – net	41.8	41.3	0.7	(1.0)%
Others	2.1	1.6	0.0	(25.1)%
	(149.4)	(877.0)	(15.3)	487.2%
Income before income tax	2,518.4	1,708.9	29.8	(32.1)%
Provision for income tax				
Current	2.1	0.0	0.0	(99.7)%
Deferred	1.6	1.5	0.0	(9.8)%
	3.7	1.5	0.0	(60.6)%
Net income	2,514.8	1,707.4	29.8	(32.1)%
Other comprehensive income (loss)				
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement income (loss) on defined benefit obligation, net of tax	74.8	(3.7)	(0.1)	(105.0)%
Total comprehensive income	2,589.6	1,703.7	29.7	(34.2)%

Revenue

Total revenue increased by 7.5% to ₱12,572.3 million (U.S.\$219.1 million) for the year ended December 31, 2024 compared to ₱11,693.3 million for the year ended December 31, 2023 primarily due to the following:

- Gaming revenue increased by 8.0% to ₱10,988.2 million (U.S.\$191.5 million) for the year ended December 31, 2024 compared to ₱10,175.7 million for the year ended December 31, 2023, primarily due to (i) an increase in Mass Market players and (ii) an increase in the number of EGMs (slot machines and ETGs) and table games by 11.0% and 5.0%, respectively, during the year.
- Rooms revenue increased by 15.6% to ₱891.8 million (U.S.\$15.5 million) for the year ended December 31, 2024 compared to ₱771.8 million for the year ended December 31, 2023, primarily due to a higher occupancy rate driven by (i) an increase in small to large meeting groups utilizing our hotel facilities and (ii) increased international and local visitors staying at the Group's hotels.
- Food and beverage decreased by 8.8% to ₱663.0 million (U.S.\$11.6 million) for the year ended December 31, 2024 compared to ₱727.2 million for the year ended December 31, 2023, primarily due to an increase in the volume of complimentary meals and beverages provided to casino patrons.

Operating costs and expenses

Our operating costs and expenses are broken down as follows:

(Audited)				
For the year ended December 31,				
	2023	2024	2024	% Increase (Decrease)
	(in millions of ₱)		(U.S.\$ in millions)	
Operating costs and expenses				
License and royalty fees.....	1,760.7	1,879.9	32.8	6.8%
Personnel costs.....	1,446.6	1,730.9	30.2	19.7%
Depreciation and amortization.....	1,788.8	1,684.3	29.4	(5.8)%
Advertising and promotions.....	1,098.2	1,232.0	21.5	12.2%
Rental.....	768.1	820.9	14.3	6.9%
Taxes and licenses.....	649.2	736.3	12.8	13.4%
Cost of sales.....	556.9	556.4	9.7	(0.1)%
Outside services and changes.....	268.9	360.6	6.3	34.1%
Utilities.....	228.2	311.7	5.4	36.6%
Software and hardware maintenance.....	90.2	170.4	3.0	88.9%
Operating supplies.....	103.0	179.8	3.1	74.6%
Repairs and maintenance.....	28.4	53.4	0.9	87.9%
Communication and transportation.....	29.9	37.5	0.7	25.7%
Provision for expected credit losses.....	1.5	2.5	0.0	67.8%
Others.....	207.0	229.7	4.0	11.0%
Total	9,025.5	9,986.4	174.1	10.6%

Total operating costs and expenses increased by 10.6% to ₱9,986.4 million (U.S.\$174.1 million) for the year ended December 31, 2024 compared to ₱9,025.5 million for the year ended December 31, 2023 primarily due to the following:

- License and royalty fees increased by 6.8% to ₱1,879.9 million (U.S.\$32.8 million) for the year ended December 31, 2024 compared to ₱1,760.7 million for the year ended December 31, 2023 primarily due to the increase in gaming revenue during the year, which resulted in a proportional rise in fees paid under licensing agreements.
- Personnel costs increased by 19.7% to ₱1,730.9 million (U.S.\$30.2 million) for the year ended December 31, 2024 compared to ₱1,446.6 million for the year ended December 31, 2023, primarily due to increased casino gaming capacity which required additional manpower and salary adjustments that took effect in May 2024.
- Depreciation and amortization expenses decreased by 5.8% to ₱1,684.3 million (U.S.\$29.4 million) for the year ended December 31, 2024 compared to ₱1,788.8 million for the year ended December 31, 2023, primarily due to the full depreciation of certain property and equipment, including machinery and construction-in-progress assets, as well as changes in the usage patterns of computer software and hardware.
- Advertising and promotions expenses increased by 12.2% to ₱1,232.0 million (U.S.\$21.5 million) for the year ended December 31, 2024 compared to ₱1,098.2 million for the year ended December 31, 2023, primarily due to (i) promotional advertisements for remote gaming, and (ii) increased initiatives to enhance market presence and engage a broader audience through digital marketing campaigns, media advertisements, sponsorships, blue taxi top ads and promotional events aimed at expanding our customer base while retaining existing customers.
- Rental expenses increased by 6.9% to ₱820.9 million (U.S.\$14.3 million) for the year ended December 31, 2024 compared to ₱768.1 million for the year ended December 31, 2023, primarily due to the increase in variable lease expense paid to CDC, which are calculated based on gross revenues earned during the period. Additionally, fluctuations in U.S. dollar and Philippine Peso exchange rates have contributed to the movement in rental expenses, as these payments are made in foreign currency.
- Taxes and licenses expenses increased by 13.4% to ₱736.3 million (U.S.\$12.8 million) for the year ended December 31, 2024 compared to ₱649.2 million for the year ended December 31, 2023, primarily due to (i) higher gaming revenues, which increased the franchise taxes tied to these earnings, (ii) documentary stamp taxes paid on the original issuance of shares.

- Cost of sales decreased by 0.1% to ₱556.4 million (U.S.\$9.7 million) for the year ended December 31, 2024 compared to ₱556.9 million for the year ended December 31, 2023, primarily due to the improved efficiency, management and allocation of supplies.
- Operating supplies expense increased by 74.6% to ₱179.8 million (U.S.\$3.1 million) for the year ended December 31, 2024 compared to ₱103.0 million for the year ended December 31, 2023, primarily due to an increase in gaming and guest supplies.
- Other expenses increased by 11.0% to ₱229.7 million (U.S.\$4.0 million) for the year ended December 31, 2024 compared to ₱207.0 million for the year ended December 31, 2023, primarily due to an increase in insurance expenses.

Other Income (Charges)

We had other charges of ₱877.0 million (U.S.\$15.3 million) for the year ended December 31, 2024 compared to ₱149.4 million for the year ended December 31, 2023 primarily due to the following:

- Interest expense increased by 320.4% to ₱890.8 million (U.S.\$15.6 million) for the year ended December 31, 2024 compared to ₱211.9 million for the year ended December 31, 2023, primarily due to the (i) financing of new vehicle units and working capital requirements, and (ii) the recognition of interest expense in 2024 on loans that were capitalized in previous years, which were currently charged to profit and loss.
- Finance charges increased by 293.3% to ₱73.5 million (U.S.\$1.3 million) for the year ended December 31, 2024 compared to ₱18.7 million for the year ended December 31, 2023, primarily due to the recording of amortization of debt issuance costs as interest expense in 2024, which had been capitalized in previous years.
- Interest income increased by 18.8% to ₱44.4 million (U.S.\$0.8 million) for the year ended December 31, 2024 compared to ₱37.4 million for the year ended December 31, 2023, primarily due to interest income earned from debt service reserve accounts and cash deposits.
- Foreign exchange gain - net decreased by 1.0% to ₱41.3 million (U.S.\$0.7 million) for the year ended December 31, 2024 compared to ₱41.8 million for the year ended December 31, 2023, primarily due to less favorable movements in exchange rates in 2024.

Income before Income Tax

As a result of the foregoing, our income before income tax decreased by 32.1% to ₱1,708.9 million (U.S.\$29.8 million) for the year ended December 31, 2024 compared to ₱2,518.4 million for the year ended December 31, 2023.

Provision for Income Tax

Our provision for income tax decreased by 60.6% to ₱1.5 million (U.S.\$0.0 million) for the year ended December 31, 2024 compared to ₱3.7 million for the year ended December 31, 2023 primarily due to the increase in current and deferred taxes. Our provision for income tax is broken down as follows:

	(Audited)			
	For the year ended December 31,			
	2023	2024	2024	% Increase (Decrease)
	(in millions of ₱)		(U.S.\$ in millions)	
Provision for income tax				
Current	2.1	0.0	0.0	(99.7)%
Deferred	1.6	1.5	0.0	(9.8)%
Total	3.7	1.5	0.0	(60.6)%

- Current tax was nil for the year ended December 31, 2024 compared to ₱2.1 million for the year ended December 31, 2023, primarily due to the increase in expenses deductible from the regular corporate income tax.

- Deferred tax decreased by 9.8% to ₱1.5 million (U.S.\$0.0 million) for the year ended December 31, 2024 compared to ₱1.6 million for the year ended December 31, 2023 primarily due to increase to the deferred tax related to our right-of-use asset.

Net income

As a result of the foregoing, net income decreased by 32.1% to ₱1,707.4 million (U.S.\$29.8 million) for the year ended December 31, 2024 compared to ₱2,514.8 million for the year ended December 31, 2023.

Remeasurement income (loss) on defined benefit obligation, net of tax

We had a remeasurement loss on defined benefit obligation, net of tax of ₱3.7 million (U.S.\$0.1 million) for the year ended December 31, 2024 compared to a remeasurement income of ₱74.8 million for the year ended December 31, 2023 primarily due to changes in financial assumptions and actuarial projections, specifically involving increases in the (a) number of plan members, (b) average annual salary, and (c) average years of service.

Total comprehensive income

As a result of the foregoing, our total comprehensive income decreased by 34.2% to ₱1,703.7 million (U.S.\$29.7 million) for the year ended December 31, 2024 compared to ₱2,589.6 million for the year ended December 31, 2023.

Year ended December 31, 2023 compared to year ended December 31, 2022

	(Audited) For the year ended December 31,		
	2022	2023	% Increase (Decrease)
	(in millions of ₱)		
Revenue			
Gaming	7,396.7	10,175.7	37.6%
Rooms	564.2	771.8	36.8%
Food and beverage	666.5	727.2	9.1%
Other operated departments	12.1	18.6	54.1%
	8,639.5	11,693.3	35.3%
Operating costs and expenses	7,174.0	9,025.6	25.8%
Other income (charges)			
Interest expense	(1.7)	(211.9)	12,204.4%
Finance charges	(18.3)	(18.7)	1.9%
Foreign exchange gain – net	24.9	41.8	67.5%
Interest income	18.1	37.4	106.3%
Others	1.2	2.1	68.1%
	24.2	(149.4)	(716.3)%
Income before income tax	1,489.7	2,518.4	69.1%
Provision for Income Tax			
Current	0.6	2.1	282.5%
Deferred	(0.1)	1.6	(2,629.1)%
	0.5	3.7	667.4%
Net income	1,489.2	2,514.8	68.9%
Other comprehensive income (loss)			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement income (loss) on defined benefit obligation, net of tax	(53.1)	74.8	(240.9)%
Total comprehensive income	1,436.1	2,589.6	80.3%

Revenue

Total revenue increased by 35.3% to ₱11,693.3 million for the year ended December 31, 2023 compared to ₱8,639.6 million for the year ended December 31, 2022 primarily due to the following:

- Gaming revenue increased by 37.6% to ₱10,175.7 million for the year ended December 31, 2023 compared to ₱7,396.7 million for the year ended December 31, 2022, primarily due to (i) the expansion and enhancement of gaming amenities, including the opening of the second level of our premier gaming area, and (ii) the addition of 24 gaming tables and 92 EGMs, which increased foot traffic to the casino.
- Rooms increased by 36.8% to ₱771.8 million for the year ended December 31, 2023 compared to ₱564.2 million for the year ended December 31, 2022, primarily due to the increase in the occupancy rates of our hotel, particularly for small to large meeting groups.
- Food and beverage increased by 9.1% to ₱727.2 million for the year ended December 31, 2023 compared to ₱666.5 million for the year ended December 31, 2022, primarily due to (i) the increase in hotel guests which lead to higher sales for on-site restaurants, bars, and cafes, (ii) the offer of hotel packages that feature meals, and (iii) the bookings for hotel banquet facilities for events such as weddings, conferences, and parties.

Operating costs and expenses

Our operating costs and expenses are broken down as follows:

	(Audited) For the year ended December 31,		
	2022	2023	% Increase (Decrease)
	(in millions of ₱)		
Operating costs and expenses			
License and royalty fees.....	1,551.8	1,760.7	13.5%
Personnel costs.....	1,000.6	1,446.6	44.6%
Depreciation and amortization.....	1,473.4	1,788.8	21.4%
Advertising and promotions.....	636.2	1,098.2	72.6%
Rental.....	692.4	768.1	10.9%
Taxes and licenses.....	404.0	649.2	60.7%
Cost of sales.....	500.4	556.9	11.3%
Outside services and changes.....	194.8	268.9	38.0%
Utilities.....	231.1	228.2	(1.3)%
Software and hardware maintenance.....	49.6	90.2	81.7%
Operating supplies.....	146.5	103.0	(29.7)%
Repairs and maintenance.....	25.9	28.4	9.7%
Communication and transportation.....	31.4	29.9	(5.0)%
Provision for expected credit losses.....	0.5	1.5	172.9%
Others.....	235.4	207.0	(12.0)%
Total	7,174.0	9,025.6	25.8%

Total operating costs and expenses increased by 25.8% to ₱9,025.6 million for the year ended December 31, 2023 compared to ₱7,174.0 million for the year ended December 31, 2022, primarily due to costs and expenses necessary to support the continuous expansion of our business operations. Our operating cost and expenses are broken down as follows:

- License and royalty fees increased by 13.5% to ₱1,760.7 million for the year ended December 31, 2023 compared to ₱1,551.8 million for the year ended December 31, 2022, primarily due to the increase in gaming revenue during the year, which resulted in a proportional rise in fees paid under the licensing agreement.
- Personnel costs increased by 44.6% to ₱1,446.6 million for the year ended December 31, 2023 compared to ₱1,000.6 million for the year ended December 31, 2022, primarily due to significant manpower requirement to support expanded operations in both the hotel and casino.
- Depreciation and amortization expenses increased by 21.4% to ₱1,788.8 million for the year ended December 31, 2023 compared to ₱1,473.4 million for the year ended December 31, 2022, primarily due to the

completion of the construction of a building to support our business expansion and upgrade of existing infrastructure.

- Advertising and promotions expenses increased by 72.6% to ₱1,098.2 million for the year ended December 31, 2023 compared to ₱636.2 million for the year ended December 31, 2022, primarily due to an increase in advertisements and promotions related to property launches, brand awareness campaigns, digital and offline media placements, participation in expos, collaboration with marketing partners, customer engagement activities, sponsorships, giveaways and similar marketing-related expenses.
- Rental expense increased by 10.9% to ₱768.1 million for the year ended December 31, 2023 compared to ₱692.4 million for the year ended December 31, 2022, primarily due to (i) the increase in variable lease expenses paid to CDC, which is calculated based on gross revenues earned during the period, and (ii) payments of these expenses in U.S. dollars which were impacted by fluctuations foreign exchange rates.
- Taxes and licenses expenses increased by 60.7% to ₱649.2 million for the year ended December 31, 2023 compared to ₱404.0 million for the year ended December 31, 2022, primarily due to the increase in payments for franchise taxes that are specifically tied to gaming revenue and in other mandated payments imposed by regulatory bodies on businesses operating within the gaming sector.
- Cost of sales increased by 11.3% to ₱556.9 million for the year ended December 31, 2023 compared to ₱500.4 million for the year ended December 31, 2022, primarily due to increase in gaming supplies and guest supplies and complimentary items given to patrons and guests.
- Other expenses decreased by 12.0% to ₱207.0 million for the year ended December 31, 2023 compared to ₱235.4 million for the year ended December 31, 2022, primarily due to additional expenses incurred in 2022 to support the expansion and growth of our business, which were not repeated to the same extent in 2023.

Other Income (Charges)

We had a total other charges of ₱149.4 million for the year ended December 31, 2023 compared to other income of ₱ 24.2 million for the year ended December 31, 2022. Movement was primarily due to the following (in absolute amounts):

- Interest expense increased to ₱211.9 million for the year ended December 31, 2023 compared to ₱1.7 million for the year ended December 31, 2022, primarily due to the recognition of interest expense on shareholder loan agreements entered into by the Group in the year ended December 31, 2023.
- Finance charges increased by 1.9% to ₱18.7 million for the year ended December 31, 2023 compared to ₱18.3 million for the year ended December 31, 2022, primarily due to borrowing costs related to loan drawdowns.
- Foreign exchange gain - net increased by 67.5% to ₱41.8 million for the year ended December 31, 2023 compared to ₱24.9 million for the year ended December 31, 2022, primarily due to the gains realized from activities involving the buying and/or selling of foreign currencies.
- Interest income increased by 106.3% to ₱37.4 million for the year ended December 31, 2023 compared to ₱18.1 million for the year ended December 31, 2022, primarily due to interest income earned from debt service reserve accounts and cash deposits

Income before Income Tax

As a result of the foregoing, our income before income tax increased by 69.1% to ₱2,518.4 million for the year ended December 31, 2023 compared to ₱1,489.7 million for the year ended December 31, 2022.

Provision for Income Tax

Our provision for income tax increased by 667.4% to ₱3.7 million for the year ended December 31, 2023 compared to ₱0.5 million for the year ended December 31, 2022 primarily due to the decrease in current and deferred taxes. Our provision for income tax is broken down as follows:

(Audited)			
For the year ended December 31,			
	2022	2023	% Increase (Decrease)
	(in millions of ₱)		
Provision for income tax			
Current.....	0.6	2.1	282.5%
Deferred.....	(0.1)	1.6	(2,629.1)%
Total	0.5	3.7	667.4%

- Current tax increased by 282.5% to ₱2.1 million for the year ended December 31, 2023 compared to ₱0.6 million for the year ended December 31, 2022 primarily due to an increase in taxable income subject to regular income tax.
- Deferred tax was ₱1.6 million for the years ended December 31, 2023 compared to a deferred tax benefit of ₱0.1 million for the year ended December 31, 2022, primarily due to the recognition of deferred tax on lease liabilities on the additional bank-financed transportation equipment.

Net income

As a result of the foregoing, net income increased by 68.9% to ₱2,514.8 million for the year ended December 31, 2023 compared to ₱1,489.2 million for the year ended December 31, 2022.

Remeasurement income (loss) on defined benefit obligation, net of tax

We had a remeasurement income on defined benefit obligation, net of tax of ₱74.8 million for the year ended December 31, 2023 compared to a remeasurement loss of ₱53.1 million for the year ended December 31, 2022 primarily due to primarily due to the (a) increase in retirement costs and actuarial loss in 2022, coupled with (b) changes in financial assumptions and actuarial projections in 2023, specifically involving decreases in the (i) average annual salary, and (ii) discount rate.

Total comprehensive income

As a result of the foregoing, our total comprehensive income increased by 80.3% to ₱2,589.6 million for the year ended December 31, 2023 compared to ₱1,436.1 million for the year ended December 31, 2022.

STATEMENT OF FINANCIAL POSITION

As of March 31, 2025 compared to December 31, 2024

(Audited)				
	As of December 31, 2024	As of March 31, 2025		% Increase (Decrease)
	(in millions of ₱)	(U.S.\$ in millions)		
Assets				
Currents Assets				
Cash	2,099.8	1,616.5	28.2	(23.0)%
Trade and other receivables – net	231.3	209.9	3.7	(9.2)%
Amounts owed by related parties	545.7	599.9	10.5	9.3%
Inventories – at cost	144.9	122.8	2.1	(15.2)%
Other current assets	1,010.9	1,048.1	18.3	3.7%
Total Current Assets	4,032.6	3,597.1	62.8	(10.8)%
Noncurrent Assets				
Property and equipment – net.....	24,732.9	25,555.0	445.4	3.3%
Right-of-use assets – net.....	1,516.7	1,524.6	26.6	0.5%
Other non-current assets	3,487.5	4,221.4	73.6	21.0%
Total Noncurrent Assets	29,737.1	31,301.0	545.5	5.3%
Total Assets	33,769.7	34,898.1	608.4	3.3%
Liabilities and Equity				
Current Liabilities				
Accounts payable	2,572.0	2,124.8	37.0	(17.4)%
Accrued expenses and other payables	1,800.2	2,157.3	37.6	19.8%

Short-term loans	595.0	1,300.0	22.7	118.5%
Current portion of long-term loans.....	1,434.1	1,434.2	25.0	0.0%
Current portion of lease liabilities	124.0	126.6	2.2	2.1%
Total Current Liabilities.....	6,525.3	7,142.9	124.5	9.5%
Non-current Liabilities				
Long-term loans – net of current portion	14,688.8	14,318.8	249.5	(2.5)%
Retirement obligation	121.5	125.8	2.2	3.5%
Lease liabilities – net of current portion.....	1,759.1	1,790.6	31.2	1.8%
Deferred tax liabilities	3.3	4.2	0.1	27.3%
Total Non-current Liabilities	16,572.7	16,239.4	283.0	(2.0)%
Total Liabilities.....	23,098.1	23,382.3	407.5	1.2%

Assets

Total assets as of March 31, 2025 stood at ₱34,898.1 million (U.S.\$608.4 million), an increase of 3.3%, or ₱1,128.6 million, as compared to ₱33,769.7 million as of December 31, 2024. This increase was due to the following:

- Cash decreased by 23.0%, or ₱483.4 million, to ₱1,616.5 million (U.S.\$28.2 million) as of March 31, 2025 from ₱2,099.8 million as of December 31, 2024 due to cash outflows associated with the ongoing construction projects.
- Trade and other receivables - net decreased by 9.2%, or ₱21.4 million, to ₱209.9 million (U.S.\$3.7 million) as of March 31, 2025 from ₱231.3 million as of December 31, 2024 due to improved collections and tighter credit controls.
- Amounts owed by related parties increased by 9.3%, or ₱54.2 million, to ₱599.9 million (U.S.\$10.5 million) as of March 31, 2025 from ₱545.7 million as of December 31, 2024 due to an increase in advances of related parties primarily for working capital requirements by an affiliate.
- Inventories – at cost decreased by 15.2%, or ₱22.0 million, to ₱122.8 million (U.S.\$2.1 million) as of March 31, 2025 from ₱144.9 million as of December 31, 2024 due to the reduction in gaming supplies tied to consumption.
- Other current assets increased by 3.7%, or ₱37.2 million, to ₱1,048.1 million (U.S.\$18.3 million) as of March 31, 2025 from ₱1,010.9 million as of December 31, 2024 due to the increase in advances to contractors and suppliers, and input VAT.
- Property and equipment - net increased by 3.3%, or ₱822.1 million, to ₱25,555.0 million (U.S.\$445.4 million) as of March 31, 2025 from ₱24,732.9 million as of December 31, 2024 due to capital expenditures, acquisitions, or improvement of infrastructure to support the development of Hann Reserve and GCE.
- Right-of-use assets increased by 0.5%, or ₱8.0 million, to ₱1,524.6 million (U.S.\$26.6 million) as of March 31, 2025 from ₱1,516.7 million as of December 31, 2024 due to the acquisition of additional transportation equipment under finance lease agreements and payment of deposit on the 5.6 hectare additional land area approved for lease by the BCDA in 2024.
- Other non-current assets increased by 21.0%, or ₱733.9 million, to ₱4,221.4 million (U.S.\$73.6 million) as of March 31, 2025 from ₱3,487.5 million as of December 31, 2024 due to advances to contractors for GCE and Hann Reserve.

Liabilities

Total liabilities as of March 31, 2025 stood at ₱23,382.3 million (U.S.\$407.5 million), an increase of 1.2%, or ₱284.2 million, as compared to ₱23,098.1 million as of December 31, 2024. This increase was due to the following:

- Accounts payable decreased by 17.4%, or ₱447.2 million, to ₱2,124.8 million (U.S.\$37.0 million) as of March 31, 2025 from ₱2,572.0 million as of December 31, 2024 due to settlement of outstanding amounts owed to suppliers.
- Accrued expenses and other payables increased by 19.8%, or ₱357.1 million, to ₱2,157.3 million (U.S.\$37.6 million) as of March 31, 2025 from ₱1,800.2 million as of December 31, 2024 due to unredeemed chips and retention payables.
- Short-term loans increased by 118.5%, or ₱705.0 million, to ₱1,300.0 million (U.S.\$22.7 million) as of March 31, 2025 from ₱595.0 million as of December 31, 2024, due to short-term loans incurred to support the Group's operational liquidity needs and working capital requirements.
- Current portion of long-term loans slightly increased by 0.0%, or ₱0.2 million, to ₱1,434.2 million (U.S.\$25.0 million) as of March 31, 2025 from ₱1,434.1 million as of December 31, 2024 due to the amortization of deferred debt issuance costs for the period.
- Current portion of lease liabilities increased by 2.1%, or ₱2.6 million, to ₱126.6 million (U.S.\$2.2 million) as of March 31, 2025 from ₱124.0 million as of December 31, 2024 due to the acquisition of additional transportation equipment under finance lease agreements and the additional land area approved for lease by the BCDA.
- Long-term loans – net of current portion decreased by 2.5%, or ₱370.1 million, to ₱14,318.8 million (U.S.\$249.5 million) as of March 31, 2025 from ₱14,688.8 million as of December 31, 2024 due to payment of long-term debt.
- Retirement obligation increased by 3.5%, or ₱4.2 million, to ₱125.8 million (U.S.\$2.2 million) as of March 31, 2025 from ₱121.5 million as of December 31, 2024 due to changes in financial assumptions and actuarial valuations (e.g., increase in the (a) number of plan members, (b) average annual salary, and (c) average years of service).
- Lease liabilities – net of current portion increased by 1.8%, or ₱31.5 million, to ₱1,790.6 million (U.S.\$31.2 million) as of March 31, 2025 from ₱1,759.1 million as of December 31, 2024 due to the acquisition of additional transportation equipment under finance lease agreements and additional land area approved for lease by the BCDA.
- Deferred tax liabilities increased by 27.3%, or ₱0.9 million, to ₱4.2 million (U.S.\$0.1 million) as of March 31, 2025 from ₱3.3 million as of December 31, 2024 due to recognition of deferred tax on lease liabilities on additional bank-financed transportation equipment.

As of December 31, 2024 compared to December 31, 2023

	(Audited)			
	As of December 31, 2023	As of December 31, 2024		% Increase (Decrease)
	(in millions of ₱)	(U.S.\$ in millions)		
Assets				
Currents Assets				
Cash	2,415.2	2,099.8	36.6	(13.1)%
Trade and other receivables – net.....	264.7	231.3	4.0	(12.6)%
Amounts owed by related parties	72.4	545.7	9.5	653.3%
Inventories – at cost.....	110.9	144.9	2.5	30.7%
Other current assets	919.0	1,010.9	17.6	10.0%
Total Current Assets.....	3,782.2	4,032.6	70.2	6.6%
Noncurrent Assets				
Property and equipment – net	21,371.2	24,732.9	431.0	15.7%
Right-of-use assets – net	1,540.7	1,516.7	26.4	(1.6)%
Other non-current assets.....	1,053.4	3,487.5	60.8	231.1%
Total Noncurrent Assets.....	23,965.3	29,737.1	518.2	24.1%
Total Assets.....	27,747.5	33,769.7	588.4	21.7%
Liabilities and Equity				
Current Liabilities				

Accounts payable	2,385.5	2,572.0	44.8	7.8%
Accrued expenses and other payables	1,935.8	1,800.2	31.4	(7.0)%
Short-term loans	–	595.0	10.4	N/A
Current portion of long-term loans	1,440.2	1,434.1	25.0	(0.4)%
Current portion of lease liabilities	118.7	124.0	2.2	4.5%
Total Current Liabilities.....	5,880.2	6,525.3	113.8	11.0%
Non-current Liabilities				
Long-term loans – net current of portion ...	11,299.1	14,688.8	256.0	30.0%
Retirement obligation	95.7	121.5	2.1	27.0%
Lease liabilities – net of current portion	1,670.7	1,759.1	30.7	5.3%
Deferred tax liabilities	1.9	3.3	0.1	79.0%
Total Non-current Liabilities	13,067.4	16,572.7	288.9	26.8%
Total Liabilities.....	18,947.6	23,098.1	402.5	21.9%

Assets

Total assets as of December 31, 2024 stood at ₱33,769.7 million (U.S.\$588.4 million), an increase of 21.7%, or ₱6,022.1 million, as compared to ₱27,747.5 million as of December 31, 2023. This increase was due to the following:

- Cash decreased by 13.1%, or ₱315.4 million, to ₱2,099.8 million (U.S.\$36.6 million) as of December 31, 2024 from ₱2,415.2 million as of December 31, 2023 due to payments used in investing activities related to construction of projects, including advances to contractors. This was partially offset by cash increases in financing activities which consists mainly of proceeds from the loans and cash from operations.
- Trade and other receivables - net decreased by 12.6%, or ₱33.4 million, to ₱231.3 million (U.S.\$4.0 million) as of December 31, 2024 from ₱264.7 million as of December 31, 2023 due to increased credit issued to patrons and gaming promoters in 2023 compared to 2024.
- Amounts owed by related parties increased by 653.6%, or ₱473.2 million, to ₱545.7 million (U.S.\$9.5 million) as of December 31, 2024 from ₱72.4 million as of December 31, 2023, primarily relating to working capital requirements by an affiliate.
- Inventories – at cost increased by 30.7%, or ₱34.0 million, to ₱144.9 million (U.S.\$2.5 million) as of December 31, 2024 from ₱110.9 million as of December 31, 2023, primarily due to the increase in gaming capacity and gaming supply requirements.
- Other current assets increased by 10.0%, or ₱91.9 million, to ₱1,010.9 million (U.S.\$17.6 million) as of December 31, 2024 from ₱919.0 million as of December 31, 2023 due to prepayments on insurance, equipment maintenance, rent and debt service reserve accounts related to the Group's loans.
- Property and equipment – net increased by 15.7%, or ₱3,361.7 million, to ₱24,732.9 million (U.S.\$431.0 million) as of December 31, 2024 from ₱21,371.2 million as of December 31, 2023, due to our expansion projects, including Hann Reserve and GCE. This includes costs on leasehold improvements, general construction works, and borrowing costs capitalized related to bank loans.
- Right-of-use assets – net decreased by 1.6%, or ₱24.0 million, to ₱1,516.7 million (U.S.\$26.4 million) as of December 31, 2024 from ₱1,540.7 million as of December 31, 2023, due to regular and additional amortization for the acquisition of transportation equipment under finance lease agreement and additional land area approved for lease by the BCDA.
- Other non-current assets increased by 231.1%, or ₱2,434.1 million, to ₱3,487.5 million (U.S.\$60.8 million) as of December 31, 2024 from ₱1,053.4 million as of December 31, 2023, primarily due to the escrow account agreement between HPI with PAGCOR for the development of the casino project and advances to contractors.

Liabilities

Total liabilities as of December 31, 2024 stood at ₱23,098.1 million (U.S.\$402.5 million), an increase of 21.9%, or ₱4,150.6 million, as compared to ₱18,947.5 million as of December 31, 2023. This increase was due to the following:

- Accounts payable increased by 7.8%, or ₱186.5 million, to ₱2,572.0 million (U.S.\$44.8 million) as of December 31, 2024 from ₱2,385.5 million as of December 31, 2023, due to the recognition of statutory obligations, interest payables, and retention payables related to the construction projects and trade payables to a related party.
- Accrued expenses and other payables decreased by 7.0%, or ₱135.6 million, to ₱1,800.2 million (U.S.\$31.4 million) as of December 31, 2024 from ₱1,935.8 million as of December 31, 2023, due to lower unredeemed gaming chips and payment to contractors.
- Short-term loans was ₱595.0 million (U.S.\$10.4 million) as of December 31, 2024 from nil as of December 31, 2023, which short-term loans were incurred operational liquidity needs and manage working capital requirements of the Group.
- Current portion of long-term loans decreased by 0.4%, or ₱6.1 million, to ₱1,434.1 million (U.S.\$25.0 million) as of December 31, 2024 from ₱1,440.2 million as of December 31, 2023 due to the repayment of long-term outstanding loans.
- Current portion of lease liabilities increased by 4.5%, or ₱5.3 million, to ₱124.0 million (U.S.\$2.2 million) as of December 31, 2024 from ₱118.7 million as of December 31, 2023 due to the recognition of additional vehicles under finance lease agreements and additional leased land area from BCDA.
- Long-term loans – net current of portion increased by 30.0%, or ₱3,389.7 million, to ₱14,688.8 million (U.S.\$256.0 million) as of December 31, 2024 from ₱11,299.1 million as of December 31, 2023, due to (i) new loan agreements entered into by the Group to partially finance the construction of GCE, support for the back-of-house operations, and for the acquisition of gaming and other food and beverage equipment, and (ii) amendments to the term of an existing loan which was fully drawn and remained outstanding.
- Retirement obligation increased by 27.1%, or ₱ 25.9 million, to ₱121.5 million (U.S.\$2.1 million) as of December 31, 2024 from ₱95.7 million as of December 31, 2023 due to changes in financial assumptions and actuarial valuations.
- Lease liabilities – net of current portion increased by 5.3%, or ₱88.4 million, to ₱1,759.1 million (U.S.\$30.7 million) as of December 31, 2024 from ₱1,670.7 million as of December 31, 2023 due to the recognition of deferred tax on lease liabilities on the additional bank-financed transportation equipment.
- Deferred tax liabilities increased by 78.9%, or ₱1.5 million, to ₱3.3 million (U.S.\$0.1 million) as of December 31, 2024 from ₱1.9 million as of December 31, 2023 due to recognition of deferred tax on lease vehicle.

As of December 31, 2023 compared to December 31, 2022

	(Audited)		% Increase
	As of December 31, 2022	As of December 31, 2023	(Decrease)
	(in millions of ₱)		
Assets			
Currents Assets			
Cash	1,967.7	2,415.2	22.7%
Trade and other receivables – net	134.3	264.7	97.0%
Amounts owed by related parties	40.6	72.4	78.4%
Inventories – at cost	128.6	110.9	(13.8)%
Other current assets	587.1	919.0	56.5%
Total Current Assets	2,858.3	3,782.2	32.3%
Noncurrent Assets			
Property and equipment – net.....	19,310.0	21,371.2	10.7%
Right-of-use assets – net.....	1,550.5	1,540.7	(0.6)%
Other non-current assets	207.3	1,053.4	408.2%
Total Noncurrent Assets	21,067.8	23,965.3	13.8%
Total Assets	23,926.1	27,747.5	16.0%
Liabilities and Equity			
Current Liabilities			
Accounts payable	2,036.2	2,385.5	17.2%
Accrued expenses and other payables	2,412.4	1,935.8	(19.8)%
Current portion of long-term loans.....	1,202.6	1,440.2	19.7%
Current portion of lease liabilities	104.8	118.7	13.3%
Amounts owed to related parties	2,065.3	–	N/A
Total Current Liabilities.....	7,821.2	5,880.2	(24.8)%
Non-current Liabilities			
Long-term loans – net of current portion	8,180.7	11,299.1	38.1%
Retirement obligation	131.0	95.7	(27.0)%
Lease liabilities – net of current portion.....	1,582.5	1,670.7	5.6%
Deferred tax liabilities	0.2	1.9	705.1%
Total Non-current Liabilities	9,894.4	13,067.4	32.1%
Total Liabilities.....	17,715.7	18,947.6	7.0%

Assets

Total assets as of December 31, 2023 stood at ₱27,747.6 million, an increase of 16.0%, or ₱3,821.4 million, as compared to ₱23,926.2 million as of December 31, 2022. This increase was due to the following:

- Cash increased by 22.7%, or ₱447.6 million, to ₱2,415.2 million as of December 31, 2023 from ₱1,967.7 million as of December 31, 2022 due to cash increases in financing activities which consists mainly of proceeds from the loans and cash from operations. This was partially offset by payments used in investing activities related to construction of projects, including advances to contractors.
- Trade and other receivables increased by 97.0%, or ₱130.4 million, to ₱264.7 million as of December 31, 2023 from ₱134.3 million as of December 31, 2022 due to increased credit issued to patrons and gaming promoters.
- Amounts owed by related parties increased by 78.4% or ₱31.8 million, to ₱72.4 million as of December 31, 2023 from ₱40.6 million as of December 31, 2022 due to advances to related parties used for working capital requirements.
- Inventories – at cost decreased by 13.8%, or ₱17.7 million, to ₱110.9 million as of December 31, 2023 from ₱128.6 million as of December 31, 2022 due to an increase in consumption levels of gaming supplies.
- Other current assets increased by 56.5%, or ₱331.9 million, to ₱919.0 million as of December 31, 2023 from ₱587.1 million as of December 31, 2022 primarily due to increase in input VAT on purchases, debt service reserve accounts related to our loans security related to our loans and advances to suppliers and contractors.

- Property and equipment – net increased by 10.7%, or ₱2,061.2 million, to ₱21,371.2 million as of December 31, 2023 from ₱19,310.0 million as of December 31, 2022 mainly driven by the construction of a building and for the Hann Reserve project.
- Right-of-use assets – net decreased by 0.6%, or ₱9.9 million, to ₱1,540.7 million as of December 31, 2023 from ₱1,550.5 million as of December 31, 2022 due to the modification of land lease in 2022.
- Other non-current assets increased by 408.2%, or ₱846.1 million, to ₱1,053.4 million as of December 31, 2023 from ₱207.3 million as of December 31, 2022 due to debt service accounts security related to our loans and an increase in input VAT on the Group's purchases.

Liabilities

Total liabilities as of December 31, 2023 stood at ₱18,947.5 million, an increase of 7.0%, or ₱1,231.8 million, as compared to ₱17,715.7 million as of December 31, 2022. This increase was due to the following:

- Accounts payable increased by 17.2%, or ₱349.3 million, to ₱2,385.5 million as of December 31, 2023 from ₱2,036.2 million as of December 31, 2022 mainly driven by the recognition of rental and franchise fees due to PAGCOR and CDC and trade payables due to a related party.
- Accrued expenses and other payables decreased by 19.8%, or ₱476.5 million, to ₱1,935.8 million as of December 31, 2023 from ₱2,412.4 million as of December 31, 2022 due to the payment of retention payable for completed projects and termination of consultancy and marketing fee for technical, advisory, and marketing services.
- Current portion of long-term loans increased by 19.7%, or ₱237.5 million, to ₱1,440.2 million as of December 31, 2023 from ₱1,202.6 million as of December 31, 2022 due to the execution of a revolving facility and loan agreement with stockholders in the year ended December 31, 2023.
- Current portion of lease liabilities increased by 13.3%, or ₱13.9 million, to ₱118.7 million as of December 31, 2023 from ₱104.8 million as of December 31, 2022 due to the acquisition of additional transportation equipment under finance lease agreements.
- Amounts owed to related parties was nil as of December 31, 2023 from ₱2,065.3 million as of December 31, 2022 due to the conversion of the outstanding payables of stockholders to a revolving loan facility in the year ended December 31, 2023.
- Long-term loans – net of current portion increased by 38.1%, or ₱3,118.4 million, to ₱11,299.1 million as of December 31, 2023 from ₱8,180.7 million as of December 31, 2022 due to net proceeds from loan drawdowns and conversion of payables to a revolving loan facility.
- Retirement obligation decreased by 27.0%, or ₱35.3 million, to ₱95.7 million as of December 31, 2023 from ₱131.0 million as of December 31, 2022 due to changes in financial assumptions and actuarial valuations.
- Lease liabilities – net of current portion increased by 5.6%, or ₱88.2 million, to ₱1,670.7 million as of December 31, 2023 from ₱1,582.5 million as of December 31, 2022 primarily due to the revision in the covered area of the lease with BCDA and accretion of interest expense from the lease liability.
- Deferred tax liabilities increased by 705.1%, or ₱1.6 million, to ₱1.9 million as of December 31, 2023 from ₱0.2 million as of December 31, 2022 due the recognition of deferred tax on lease liabilities on the additional bank-financed transportation equipment.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically met our liquidity requirements principally through a combination of cash flows from operations, bank financings, and equity capital infusion. Our principal uses of cash have been, and are expected to continue to be, operating and maintenance costs relating to our casino and hotels, capital expenditures for our expansion plans, including in connection with the development of Hann Reserve, and debt service of the Group.

We are not aware of any demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity. We do not anticipate having any cash flow or liquidity problems over the next 12 months. We are not in breach or in default on any loan or other form of indebtedness.

We believe that the operating cash flows, retained earnings, proceeds from this Offer and bank financings will be sufficient to fund working capital requirements, currently anticipated capital expenditures and debt service requirements for the next 12 months.

Cash Flows

The following discussion of our cash flows for 2022, 2023 and 2024, and for the three months ended March 31, 2025 should be read in conjunction with the statements of cash flows included in the audited consolidated financial statements.

	For the years December 31,				For the three months ended		
	2022	2023	2024		2024	2025	
		₱	U.S.\$		₱	₱	U.S.\$
	(in millions)						
Net cash generated from operating activities	5,229.4	3,372.8	3,218.4	56.1	717.0	1,526.4	26.6
Net cash used in investing activities	(5,409.1)	(3,711.2)	(6,655.6)	(116.0)	(1,040.3)	(2,005.4)	(34.9)
Net cash generated from financing activities	1,432.6	783.1	3,122.1	54.4	1,322.7	(0.9)	0.0
Net increase (decrease) in cash ...	1,252.9	444.7	(315.1)	(5.5)	999.4	(479.9)	(8.4)
Effect of exchange rate	1.1	2.8	(0.3)	0.0	(0.9)	(3.4)	(0.1)
Cash beginning of year/period	713.6	1,967.7	2,415.2	42.1	2,415.2	2,099.8	(36.6)
Cash at end of year/period	1,967.7	2,415.2	2,099.8	36.6	3,413.7	1,616.5	28.2

Net cash generated from (used in) operating activities

Our net cash provided by operating activities is primarily affected by the revenues and expenses related to our casino and hotel operations and other services rendered by us, as adjusted by non-cash items such as depreciation and amortization on property and equipment and modification loss. Our cash flows from operating activities are also affected by working capital changes such as changes in trade and other receivables, amounts owed by related parties, inventories, prepayments and other current assets, accounts payables and accrued expenses and other payables.

Net cash flows generated from operating activities were ₱1,526.4 million (U.S.\$26.6 million) in the three months ended March 31, 2025. Our cash flow from operations was principally affected by (i) the combined downward effect of increases in prepayments and other current assets, and accrued expenses, and (ii) decreases in trade and other receivables, accounts payable and inventories. Our operating income before working capital changes was ₱1,453.2 million (U.S.\$25.3 million). Interest received was ₱11.1 million (U.S.\$0.2 million).

Net cash flows generated from operating activities were ₱3,218.4 million (U.S.\$56.1 million) in the year ended December 31, 2024. Our cash flow from operations was principally affected by the combined downward effect of (i) increases in prepayments and other current assets and trade and other receivables, (ii) a decrease in accrued expenses and other payables, which were offset by the combined upward effect of decreases in amounts owed to related parties and inventories, and (iii) an increase in accounts payable. Our operating income before working capital changes was ₱4,322.9 million (U.S.\$75.3 million). Interest received was ₱43.6 million (U.S.\$0.8 million).

Net cash flows generated from operating activities were ₱3,372.8 million in the year ended December 31, 2023. Our cash flow from operations was principally affected by (i) the combined upward effect of increases in amounts owed by related parties, prepayments and other current assets, trade and other receivables, and accounts payable, and (ii) decreases in accrued expenses and inventories. Our operating income before working capital changes was ₱4,520.0 million. Interest received and income tax paid were ₱36.4 million and ₱2.1 million, respectively.

Net cash flows generated from operating activities were ₱5,229.4 million in the year ended December 31, 2022. Our cash flow from operations was principally affected by (i) the combined upward effect of increases in prepayments and other current assets, inventories, and trade and other receivables, accounts payable and accrued expenses, and (ii) decrease in amounts owed by related parties. Our operating income before working capital changes was ₱3,002.4 million. Interest received and income tax paid were ₱17.2 million and ₱27.0 million, respectively.

Net cash used in investing activities

In the three months ended March 31, 2025, our net cash flows used in investing activities were ₱2,005.4 million (U.S.\$34.9 million). The cash outflow was primarily for acquisitions of property and equipment, right-of-use, and other non-current assets.

In the year ended December 31, 2024, our net cash flows used in investing activities were ₱6,655.6 million (U.S.\$116.0 million). The cash outflow was primarily for acquisitions of property and equipment, right-of-use, and other non-current assets.

In the year ended December 31, 2023, our net cash flows used in investing activities were ₱3,711.2 million. The cash outflow was primarily for acquisitions of property and equipment, right-of-use, and other non-current assets.

In the year ended December 31, 2022, our net cash flows used in investing activities were ₱5,409.1 million. The cash outflow was primarily for acquisitions of property and equipment, right-of-use, and other non-current assets, including additional payment of security deposit to BCDA.

Net cash flow generated from financing activities

Cash flows generated from financing activities were ₱0.9 million (U.S.\$0.0 million) in the three months ended March 31, 2025. This amount consisted primarily of proceeds from long-term loans, partially offset by repayment of Long term loans, Principal portion of lease liabilities, Interest expense on lease liabilities, and advances of lease payments.

Cash flows generated from our financing activities were ₱3,122.1 million (U.S.\$54.4 million) in the year ended December 31, 2024. This amount consisted primarily of net proceeds from long-term loans, which was offset by payments for interest on and principal portion of lease liabilities.

Cash flows generated from financing activities were ₱783.1 million for the year ended December 31, 2023. This amount consisted primarily of net proceeds from long-term loans, which was offset by repayments and advance payments for leases and for payments of share issuance costs.

Cash flows generated financing activities were ₱1,432.6 million for the year ended December 31, 2022. This amount consisted primarily of proceeds from long-term loans, which was only partially offset by payments for interest on and principal portion of lease liabilities.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of March 31, 2025:

	Total	On Demand	1 to less than 12 months (in ₱ millions)	1 to 5 years	Over 5 years
Accounts payable	2,124.8	1,364.4	536.9	223.5	-
Long-term loans	15,753.0	-	1,471.7	8,379.2	5,902.0
Lease liabilities.....	1,917.2	-	126.6	467.8	1,322.8
Total	19,795.0	1,364.4	2,135.2	9,070.5	7,224.9

As of March 31, 2025, there is no known event that will trigger a direct or contingent financial obligation that is material to us, including any default or acceleration of an obligation.

Capital Expenditures

We make substantial capital expenditures annually to support our business goals and objectives. Historically, capital expenditures comprise project development costs related to our expansion plans, including for Hann Reserve, our gaming floor expansion and parking structure.

The table below set out the capital expenditures for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025:

	For the year ended December 31,				For the three months ended March 31,		
	2022	2023	2024		2024	2025	
	(in millions)						
	₱		U.S.\$		₱	₱	U.S.\$
Property and Equipment							
Building and improvements	0.6	8.1	17.4	0.3	13.7	20.8	0.4
Machinery and equipment	11.0	117.0	102.3	1.8	8.0	193.0	3.4
Gaming equipment	192.7	89.4	646.2	11.3	12.6	4.2	0.1
Furniture and equipment	72.5	142.8	79.9	1.4	7.2	4.1	0.1
Transportation equipment.....	2.3	9.3	39.8	0.1	6.1	—	—
Computer equipment	16.7	59.0	97.1	0.7	23.4	6.7	0.1
Operating equipment	4.1	12.1	7.6	0.1	3.7	2.1	0.0
Construction in Progress.....	5,725.7	3,398.2	4,035.6	70.2	927.0	985.2	17.2
Total	6,025.6	3,835.8	5,025.9	87.6	1,001.5	1,216.1	21.3

We have historically sourced funding for capital expenditures through long-term debt, while working capital requirements are sufficiently funded through cash collections and capital infusion by stockholders.

We are committed to continuously implementing our expansion plans to drive future growth. Our capital expenditures primarily relate to the development and construction of Hann Reserve. Although these are our current plans with respect to capital expenditures, such plans may change as a result of a change in circumstances and the actual amount of expenditures may vary from the planned amount of expenditures for a variety of reasons, including changes in market conditions, competition and other factors. As we continue to expand, we will incur additional capital expenditure.

Indebtedness

We had outstanding long-term loan payables of ₱16,122.9 million (U.S.\$281.0 million) and ₱15,753.0 million (U.S.\$274.5 million) as of December 31, 2024, and as of March 31, 2025, respectively. The loans were obtained by HPI and were used to finance the development of our casino, hotels and Hann Reserve, and are payable over one-year and 10-year terms since the drawdowns or availments. See Note 12 of the audited consolidated financial statements and audited consolidated interim financial statements elsewhere in this Prospectus for more details relating to such loan payables, including collateral, interest rate basis and repayment terms, and covenants, including debt ratios of such loans.

Off-Balance Sheet Arrangements

As of March 31, 2025, there were no off-balance sheet arrangements or obligations that were likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Key Performance Indicators

Set out below are certain performance indicators that we utilize in period-to-period analysis and comparison of financial data.

	As of and for the years ended December 31,			As of and for the three months ended March 31,	
	2022	2023	2024	2024	2025
Net Income (P millions).....	1,489.2	2,514.8	1,707.4	623.9	842.3
EBITDA ⁽¹⁾ (P millions)	2,970.3	4,523.5	4,372.9	1,270.3	1,466.2
EBITDA Margin ⁽²⁾	34.4%	38.7%	34.8%	37.5%	42.9%
Return-on-Assets ⁽³⁾	6.2%	9.1%	5.1	1.8%	2.4%
Debt-to-Equity Ratio ⁽⁴⁾	2.9	2.2	2.2	2.2	2.0
Current Ratio ⁽⁵⁾	0.4	0.6	0.6	0.6	0.5
Asset-to-Equity Ratio ⁽⁶⁾	3.9	3.2	3.2	3.2	3.0
Return-on-Equity ⁽⁷⁾	24.0%	28.6%	16.0%	5.8%	7.3%

Notes:

(1) EBITDA is calculated as net income + depreciation and amortization + interest expense - foreign exchange gain/loss- net +/- other expense/income+ finance charges +/- benefit from/provision for income tax.

(2) Calculated as EBITDA / revenue.

(3) Calculated as net income/ average total assets. Average total assets is calculated as the sum of the amounts at the beginning and end of the period divided by two.

(4) Calculated as total liabilities/total equity.

(5) Calculated as current assets/current liabilities.

(6) Calculated as total assets/total equity.

(7) Calculated as net income/average shareholders' equity. Average total equity is calculated as the sum of the amounts at the beginning and end of the period divided by two.

CALCULATION OF EBITDA

The following table presents a reconciliation of EBITDA from net income for each of the periods indicated.

	For the years ended December 31,				For the three months ended March 31,		
	2022	2023	2024		2024	2025	
				(in millions)			
	P	P	P	U.S.\$	P	P	U.S.\$
Net Income	1,489.2	2,514.8	1,707.4	29.8	623.9	842.3	14.7
Add/(Deduct):							
Depreciation and amortization	1,473.4	1,788.8	1,684.3	29.4	406.0	399.5	7.0
Interest expense	1.7	211.9	890.8	15.6	231.7	203.9	3.5
Foreign exchange gain (loss) - net	(24.9)	(41.8)	(41.3)	(0.7)	(21.4)	(5.6)	(0.1)
Other expense ⁽¹⁾	12.2	27.4	56.7	1.0	6.0	14.1	0.2
Finance charges	18.3	18.7	73.5	1.3	23.8	11.3	0.2
Benefit from (provision for) income tax	0.5	3.7	1.5	0.00	0.3	0.9	0.0
EBITDA	2,970.3	4,523.5	4,372.9	76.3	1,270.3	1,466.2	25.6

Note:

(1) Other expense refers to pre-operating expenses attributable to HDC. Please refer to Note 23 to our audited consolidated financial statements for further information.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

Our activities expose us to market risk. These market risks principally involve the possibility of adverse consequences on our results of operations due to factors that are generally beyond our control.

Market risk is the risk that changes in market prices, such as interest rates, security price and foreign exchange rates, and will affect our total comprehensive income or the value of our financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. Security price is deemed not applicable since we have no debt or equity instruments traded in an active market. We are subject to various risks, including (i) interest rate risk, (ii) foreign currency risk, (iii) credit risk, and liquidity risk.

See Note 20 of the audited consolidated financial statements and audited consolidated interim financial statements for details on interest rate risk foreign currency exchange risk and a discussion on financial risk management.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our long-term loans. See Note 12 to the audited consolidated financial statements and audited consolidated interim financial statements for details on our long-term loans.

We have performed a sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before tax (through the impact on floating rate borrowings).

See Note 20 to the audited consolidated financial statements and audited consolidated interim financial statements for details on for details on interest rate risk.

Foreign Currency Risk

Our foreign currency risk results primarily from the foreign exchange rate movements of the Philippine Peso against the U.S. dollar. We resolve to mitigate this risk by taking advantage of market trends. Such trends are used to determine the proper timing of foreign currency transactions to realize a foreign currency gain.

As of March 31, 2025, we have no financial liabilities denominated in foreign currency

See Note 20 to the audited consolidated financial statements and audited consolidated interim financial statements for details on for details on foreign currency risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. We are exposed to credit risk from its operating activities (primarily trade receivables) and from our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Concentration of risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions, such as fluctuations in currencies or interest rates. There are no significant concentrations of credit risk in our Group.

See Note 20 to the audited consolidated financial statements and audited consolidated interim financial statements for details on for details on credit risk.

Liquidity Risk

We monitor and maintain a level of cash deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. We obtain additional short-term funding from related party advances, when necessary.

See Note 20 to the audited consolidated financial statements and audited consolidated interim financial statements for details on for details on liquidity risk.

SEASONALITY

Our revenues are correlated to the amount of visitations from domestic and international travellers. Typically, we experience an increase in visitations to our casino and hotels during the fourth quarter of each year, particularly during the Christmas and New Year seasons. Other than this, there were no seasonal factors that had a material impact on our financial condition or operations for the years ended December 31, 2022, 2023 and 2024, and for the three months ended March 31, 2024 and 2025.

INDUSTRY OVERVIEW

The information that appears in this Industry Overview section, including all data (actual, estimates and forecasts) has been prepared by The Innovation Group and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. References to The Innovation Group should not be considered as the opinion of The Innovation Group as to the value of any security or the advisability of investing in the Issuer.

The information prepared by The Innovation Group and set out in this Industry Overview has not been independently verified by the Issuer, the Group, the Selling Shareholder, the Joint Bookrunners and none of them gives any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

The report includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Actual results and future events could differ materially from such forecasts. You should not place undue reliance on such statements, or on the ability of any party to accurately predict future industry trends or performance. See the “Disclaimer” in the Industry Overview prepared by The Innovation Group for further information.

This Industry Overview is a short-form version of the full industry report prepared by The Innovation Group, which can be found in Appendix 1 of this Prospectus.

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “project,” or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.

The Innovation Group was commissioned by Hann Casino Resort (“Hann Resort” or “Client”) for an up-to-date gaming market assessment and analysis on casino gaming within the Clark, Philippines market as well as the iGaming (online gaming) market within the Philippines.

Taking into account the competitive factors and recent revenue trends in both Clark and the broader Philippine and Asian markets, The Innovation Group conducted extensive research and created models to evaluate potential gaming demand, visitation, and revenues for Clark. The market fundamentals including economics and demographics in the Philippines and Clark as well as key feeder countries in the region, recent tourism trends, competitive gaming landscape, and other market dynamics were incorporated into the study. The potential patronage includes existing gamers in local markets, current visitors to the country and the city, and gaming patrons who are induced to visit the properties in the market by the outstanding gaming facilities and exceptional guest service, including high net worth VIP players.

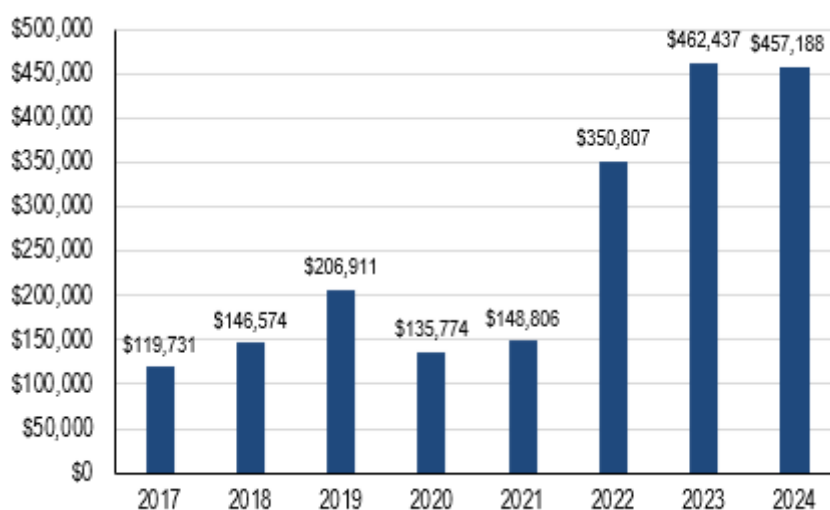
For our online assessment, The Innovation Group conducted extensive research on both the existing iGaming market in the Philippines as well as global iGaming jurisdictions and created models to evaluate potential iGaming revenue in the Philippines.

Please note, the forecasts presented herein are in US Dollars. We utilized the March 31, 2025 exchange rate (₱1 = US\$0.01746) to convert Philippine Peso figures to US Dollars.

Historical Market Perspective

According to data provided by the Philippine Amusement and Gaming Corporation (“PAGCOR”)—a government owned entity that operates public gaming facilities and regulates commercial licensee gaming facilities—the Clark market has experienced significant growth in recent years, increasing by a CAGR of 21.1% from 2017 to 2024, reaching nearly US\$460.0 million in 2024.

Figure 1: Clark Total GGR 2017-2024 (US\$ Thousands)



Source: PAGCOR

Land-Based Forecast Methodology and Approach

Our analysis considers factors that have been derived from primary and secondary research on gamers both within and out of the major market region. Relevant models were established to evaluate potential gaming demand, visitation, and revenues, and the economic and demographic background of the region, tourism trends, competitive landscape, and other market dynamics were also incorporated into the study. Studies of gamer behavior have shown that both propensity and frequency of gaming are inversely related to travel distance to a gaming venue. As travel times increase, both the percentage of persons who gamble at that location and the number of times they visit the gaming venue decrease. This is offset, to some extent, by the tendency of a patron to spend more during a visit if they have traveled further to reach the gaming venue, all other things being equal. Gaming behavior also

varies based on the availability and quality of the gaming experience. The following is a discussion of the component variables of the gaming market analysis:

- **Propensity.** Propensity measures the percentage of financially eligible adults who will participate in gaming within a given geographic unit. This varies based upon a number of factors, which include the number of gaming venues available in the region, their type and games permitted (i.e. slot clubs or full-service gaming venues with machines and table games), availability of other entertainment and leisure options, and most importantly, distance from a gaming venue.
- **Frequency.** Frequency is a measure of the average number of times individuals with a propensity to participate in gaming within a market will actually do so during the course of a given year. Like propensity, this tends to decline with distance from the market center or venue and with the degree of competition from other entertainment options. As an example, average inner-ring frequencies range between 12 and 20 per year in mature U.S. gaming markets.
- **Win per Visit (WPV).** WPV reflects the gaming venue's average gaming win per player visit for a given market segment. WPV tends to increase in proportion to distance traveled as gamers who travel longer distances tend to make fewer trips per year with a higher budget for each trip. WPV also varies based on income level and the specific facility attributes such as the degree of overcrowding and the slot portfolio mix.

The basic formulas for calculating gamer revenue from these segments are presented below,

- ❖ Adult Population x Propensity x Frequency = Gamer Visits
- ❖ Gamer Visits x Win per Visit = Gross Gaming Revenue

Total Clark Market Land-Based Casino GGR Forecast

Utilizing the methodology summarized above to estimate the market potential for Clark, the following table summarizes the GGR for land-based casino gaming in Clark.

Table 1: Clark Casino Gaming GGR Forecast

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Local Gaming	\$180,756	\$188,983	\$191,692	\$222,012	\$207,479	\$235,624	\$213,744	\$242,740	\$218,041	\$247,619
Base Tourism	\$139,064	\$152,101	\$162,020	\$195,255	\$190,653	\$215,471	\$209,644	\$238,024	\$224,571	\$257,446
Induced Tourism	\$33,981	\$49,630	\$43,113	\$57,546	\$49,807	\$73,500	\$57,630	\$94,002	\$63,839	\$108,573
VIP	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595
Total	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

The following table summarizes The Innovation Group's forecast for the Clark market by non-high rollers (mass) and high rollers (VIP).

Table 2: Clark Casino Gaming GGR Forecast – Gamer Level

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Non-High Rollers	\$353,802	\$390,714	\$396,825	\$474,813	\$447,939	\$524,595	\$481,019	\$574,766	\$506,451	\$613,638
High Rollers	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595
Total	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

Segmenting our forecasts further, the following table displays Clark GGR segmented by non-high rollers (mass) and high rollers (VIP) table revenue as well as electronic gaming machine revenue by gamer segment. In total, we forecast revenue to be split approximately 60%/40% between table games and electronic gaming machines. This revenue mix estimate is based on the Client's historical performance as well as our observations within the market.

Table 3: Clark Casino Gaming GGR Forecast – Game Type

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Non-High Roller Tables	\$176,901	\$195,357	\$198,412	\$237,406	\$223,969	\$262,298	\$240,509	\$287,383	\$253,226	\$306,819
High Roller Tables	\$117,699	\$125,546	\$126,536	\$138,781	\$135,520	\$162,790	\$145,142	\$186,802	\$152,486	\$200,065
EGMs	\$183,095	\$201,965	\$205,072	\$244,711	\$231,102	\$270,865	\$248,148	\$297,215	\$261,251	\$317,349
Total Clark Market	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

Hann Resort Market Share

After arriving at our total market forecasts for the Clark land-based gaming market, we estimated Hann Resort's market share over our forecast period. Hann Resort is currently the premier gaming resort in the Clark market. We based our market share estimates for the property's capture of total GGR on their historical market share capture and estimated their respective penetration of each gamer segment in the market. The actual penetration in each gaming segment usually deviates from total market share in that the casino can be either more competitive or less competitive than other properties in any particular market segment because of pricing point, access, customer perception, or cultural preference among other factors. Various other factors include level of competition, capital improvement plans, or property expansions among others.

Based on data provided by the Client, in 2024 Hann Resort's total market share of total Clark land-based casino GGR was 47.3%. We note that as of March 31, 2025, Hann Resort's reported market share of the Clark land-based casino market was 48.2%. Hann Resort is expected to penetrate higher than the 2024 achieved market share in mass gaming segments 2025 and beyond—this is based on the property's superior market positioning for mass players, robust marketing efforts, and high-quality facilities and service level relative to the competition. Moreover, based on conversations with the Client, it is our understanding that less emphasis is placed on VIP gaming given the high costs associated with this gaming segment. We forecast Hann Resort's market share to increase significantly across all gamer segments in 2027 as we expect the resort's first expansion to be operational in 2026 and stabilize in 2027. Finally, we believe Hann's planned golf courses opening during our forecast period will increase induced tourism to the market as well as Hann's capture of this segment.

iGaming Globally

The global online gambling market has grown substantially, reaching US\$89.8 billion in gross gaming revenue as of 2023. The United States leads with US\$19.4 billion (21.6% of global revenue), followed by Japan at \$12.1 billion (13.5%) and the United Kingdom at US\$11.7 billion (13.0%). These top three markets account for nearly 50% of global online gambling revenue.

The top 10 online gambling nations generate 75% of worldwide revenue, with each market exceeding US\$1.8 billion in annual gross win. Notable regional concentrations include strong representation from Asia-Pacific (Japan, India, Australia) and Europe (UK, Russia, Italy, France).

Emerging markets like India (ranked 9th with US\$2.3 billion) highlight the global expansion of online gambling, while established regulatory frameworks in markets like the UK and Italy demonstrate the potential for mature, regulated markets. The remaining 25% of global revenue is distributed across all other nations, indicating significant potential for growth in developing markets.

Please note that the figures in the following tables do not include offshore online casino operators—operators domiciled and regulated in a foreign country, such as Malta, and taking wagers from countries without specific legislation forbidding such wagers. The table below represents online gaming spend that takes place within the indicated country by its own residents.

Table 4: 2023 Onshore iGaming Win by Country, Ranked

Rank	Nation	Gross Win (US\$ Billions)	% of Global Total	Cumulative % of Global Total
1	United States	19.4	21.6%	21.6%
2	Japan	12.1	13.5%	35.1%
3	United Kingdom	11.7	13.0%	48.1%
4	Australia	5.0	5.6%	53.6%
5	Italy	4.9	5.5%	59.1%
6	Russia	4.6	5.2%	64.3%
7	France	3.4	3.8%	68.1%
8	Canada	2.4	2.7%	70.8%
9	India	2.3	2.5%	73.3%
10	Sweden	1.8	2.0%	75.3%
	Rest of World	22.2	24.7%	-
	Total	89.8	-	-

Source: H2 Gambling Capital

iGaming in the Philippines

Offering iGaming has only been permitted in the Philippines since 2019. PAGCOR issued 60 Philippines Offshore Gaming Operator (“POGO”) licenses to casino operators looking to monetize gaming demand *outside* the Philippines. In July 2024, Philippines President Ferdinand Marcos Jr. announced a complete ban on Philippine POGOs with a targeted implementation by the end of 2024. The decision came following numerous incidents linking POGOs to criminal activities, including scams and violent crimes, with the high-profile case of “POGO Mayor” Alice Guo being a notable catalyst. At that time, PAGCOR was instructed to oversee the wind-down of POGO operations, with provisions made to assist displaced Filipino workers in finding new employment. Importantly, the ban specifically targeted POGOs while leaving Philippines Inland Gaming Operators (“PIGOs”) and legitimate land-based gaming operations unaffected.¹ President Marcos Jr. accelerated the timeline of the ban in November 2024 when he issued Executive Order No. 74, imposing an immediate ban on all POGO operations.²

E-Sabong, online betting via live-streaming or broadcasting of live cockfights, was regulated by PAGCOR for a number of years prior to the May 2022 order from former President Duterte to suspend all e-Sabong operations in the country. This suspension was extended by current Philippine President, Ferdinand R. Marcos Jr, through an Executive Order signed in December 2022.

In response to the COVID-19 pandemic, PAGCOR began issuing a limited number of PIGO licenses to casinos for the purpose of offering iGaming to local Philippine gamblers. PIGO licenses were issued in 2020 and 2021 to technology provider DFNN, Okada Manila, Solaire Resort & Casino, Resorts World Manila, and City of Dreams Manila. By early 2023, PAGCOR had issued 20 PIGO licenses and, according to the regulator’s website, there are currently over 60 unique PIGO license holders.³

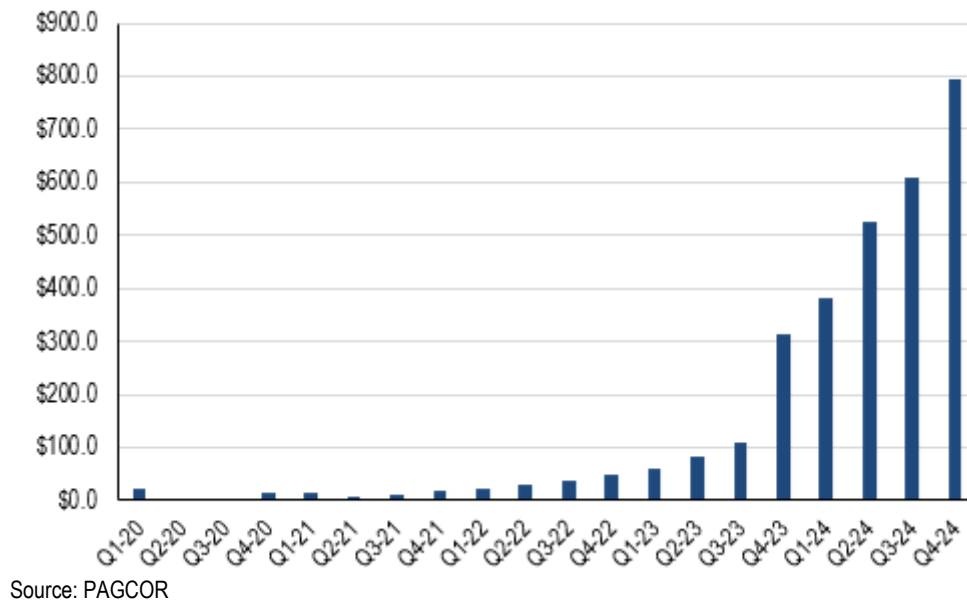
While PAGCOR reports GGR data for iGaming as “Electronic Games” revenue, it does not break out revenue by game type. At face value, the data reported by PAGCOR shows tremendous growth for online gaming. Online gaming GGR for the fourth quarter of 2024 reached nearly US\$800.0 million and over US\$2.3 billion for the full year. On an annual basis, iGaming revenue has increased by a staggering compound annual growth rate (CAGR) 174% since 2020.

¹ <https://agbrief.com/news/philippines/22/07/2024/philippines-banning-pogos-starting-from-year-end-president/>

² https://pco.gov.ph/news_releases/pbbm-orders-immediate-ban-against-all-ph-pogo-operations/

³ <https://www.pagcor.ph/regulatory/pdf/App%20Kits/List-of-PAGCOR-Accredited-Gaming-System-Administrators-and-Online-Gaming-Platforms-of-Licensed-Casinos.pdf>

Figure 2: Philippine Quarterly Online Gaming Revenue (USD Millions)



Analyzing trends by game type underlying this strong overall online gaming growth in the Philippines reveals that it may be driven largely by online bingo games. The success of DigiPlus' (which is licensed as AB Leisure Equipment) Bingo Plus platform has been widely publicized. The company reported 2024 revenue at over US\$1.3 billion. Assuming this is all online revenue, DigiPlus accounted for over 55.0% of the entire Philippines online market.

Again, while GGR figures for eCasino and other casino-related online games are not publicly available, The Innovation Group's channel checks suggest that GGR-levels are significantly less than those achieved by online bingo products.

iGaming Market Forecast

To project iGaming revenue in the Philippines, we conducted a comparative analysis using New Jersey as our primary benchmark, as it represents the most developed iGaming market in a jurisdiction with substantial brick-and-mortar casino operations. New Jersey's combined iGaming and online sports betting revenue demonstrated remarkable growth, increasing from approximately US\$483.1 million in 2019 to US\$1.9 billion in 2023. This growth translates to an increase in revenue per adult from roughly US\$134 to US\$253, based on New Jersey's adult population of approximately 7.3 million. However, it's important to note that New Jersey's online gaming market is showing signs of maturation, and we anticipate more moderate growth rates in the coming years.

To estimate the market opportunity for iGaming and online sports betting in the Philippines, we look at New Jersey's market and adjust win per adult by the difference in GDP per capita as well as average annual household incomes. Using these adjustment factors, we estimate total GGR for a mature iGaming market in the Philippines to be between US\$438.9 million and US\$1.1 billion. We note that this estimate assumes open play within the market, successful repatriation of Philippine citizen offshore iGaming to PIGO operators, and successful mitigation of illegal online gaming operators.

Table 5: Philippines iGaming Forecast

US GDP Per Capita 2023	\$82,769
Philippines GDP Per Capita 2023	\$3,805
GDP Per Capita - Multiplier	0.046
US AAHHI 2023	\$107,008
Philippines AAHHI 2023	\$6,358
AAHHI - Multiplier	0.059
iGaming	
NJ Approx Win Per Adult 2019	\$133.66
NJ Approx Win Per Adult 2023	\$253.16
Range of Philippines Win Per Adult	US\$6.13 - US\$15.04
Approximate Philippines Adult Population	71.6 million
Total Range of Philippines iGaming Revenue	US\$438.9m - US\$1.1B

Source: The Innovation Group

Given Hann's potential online partnership it's potential ability to convert land-based gamers at its resort to online gamers, we believe there is potential for the operator to capture greater than its fair share of relevant online gaming revenue.

Impact of iGaming on Hann's Land-Based Gaming

While analysis of US markets suggests an average 11.2% cannibalization effect from iGaming on land-based casino revenues, several key factors indicate that the impact on destination properties in the Philippines would likely be substantially lower.

First, the US data is more heavily weighted toward regional casino markets with properties that primarily serve local customers within a 1–2-hour drive time. States like Pennsylvania and Michigan, feature a variety of smaller properties that compete directly with the convenience of online gaming. By contrast, we would expect Hann to typically draw from a more distinct customer base and offer a comprehensive entertainment experience beyond gaming alone, making them less susceptible to direct substitution from online alternatives.

Second, the demographic and behavioral profile of iGaming customers differs significantly from destination resort patrons. Online players tend to be younger, more tech-savvy, and primarily motivated by gaming itself, while integrated resort visitors are often seeking a complete entertainment experience including high-end dining, shows, retail, and other amenities that cannot be replicated online.

Third, geographic and infrastructural factors in the Philippines create natural segmentation between online and land-based markets. With greater average travel times to casino properties and varying levels of infrastructure across regions, there is likely to be less direct competition between online and physical channels compared to the connected US markets where substitution effects are more pronounced.

Moreover, US states with the highest cannibalization rates often feature saturated regional gaming markets where multiple properties compete for the same customer base. The introduction of online gaming in these markets can significantly impact smaller properties that rely heavily on convenience gamblers. The more concentrated nature of the Philippines market, with fewer but larger destination properties, suggests greater resilience to online competition.

BUSINESS

OVERVIEW

Hann Holdings, Inc. (“**HHI**,” or the “**Issuer**”), through its subsidiary, Hann Philippines, Inc. (“**HPI**”) (together with HHI, the “**Company**” the “**Group**”, “**we**,” “**us**,” or “**our**”), is a leading integrated gaming, entertainment, retail, dining, hospitality and leisure luxury resort developer and operator of the first fully integrated resort leisure destination strategically located in the Clark Freeport Zone (“**Clark**”), Pampanga, in Central Luzon, Philippines according to The Innovation Group. We believe that our strategic location in Clark positions us to capitalize on the region’s growing tourism and business activities, offering a unique blend of luxury and convenience for our visitors.

We operate Hann Casino Resort, one of Clark’s largest luxury gaming and hospitality complexes, which combines privately-operated gaming facilities with hotel, retail, dining, entertainment and leisure amenities. Our aim is to continue to develop and operate Hann Casino Resort with amenities and facilities similar to that of well-known casino resorts in both Las Vegas and Macau, offering a diverse range of traditional, online and remote gaming options, as well as non-gaming attractions. To complement our operations, we seek to introduce new hotels and gaming and non-gaming attractions to cater to our target market in Hann Reserve, including three designer 18-hole championship golf courses together with an exclusive affiliation with the Professional Golfers’ Association of America (“**PGA**”). See “—*Expansion Plans*.” According to The Innovation Group, the development of the three golf courses in Hann Reserve would cement Clark as a top destination for golfers, and Hann Reserve as one of the unique integrated resorts in the region.

We believe that Hann Casino Resort is one of the major attractions in Clark and is easily accessible by visitors. It is located in proximity to the Clark International Airport, the Subic-Clark-Tarlac Expressway (“**SCTEX**”), and the upcoming North-South Commuter Railway (“**NSCR**”). Hann Casino Resort comprises (i) an integrated gaming, entertainment and retail space offering table games, slot machines, electronic gaming, live entertainment, and food and beverage offerings, and (ii) two internationally-branded five-star hotels, Clark Marriott Hotel and Swissôtel Clark Philippines, offering accommodation, dining, conference and leisure services.

We are developing the first phase of Hann Reserve, a luxury mountain resort which would feature public parks, villas developed by a well-known international luxury brand, and a clubhouse, complemented by two 18-hole championship golf courses, each designed by Nicklaus Design and KJ Choi, and with an exclusive affiliation with the PGA. See “—*Expansion Plans*” and “*Use of Proceeds*.” Hann Reserve is a 455.6-hectare master planned mixed-use development in New Clark City, Tarlac, Central Luzon, Philippines (“**New Clark City**”) and will entirely be developed by HPI. We expect the first phase of Hann Reserve to be completed by 2030. The second phase of Hann Reserve is expected to be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, Emblems, and SO, among others, as well as a mixed-use commercial center, an additional 18-hole championship golf course and other facilities. We expect the development of Hann Reserve and any future development of our affiliates to increase foot traffic and customer interest in our casino, hotels and other facilities in the Hann Casino Resort.

HPI holds a Gaming License issued by the Philippine Amusement and Gaming Corporation (“**PAGCOR**”) that allows us to develop and operate our casino and gaming facilities to cater to a broad range of local and international visitors. In addition, HPI has received authorizations to engage in remote and online gaming through its unified platform, Hann Live Online. We welcome a variety of gaming patrons, including the following:

- VIP players, which comprise players on a rolling chip program or in higher limit games, playing almost exclusively in dedicated VIP rooms or designated casino or gaming areas. VIP players may also include players introduced by independent gaming promoters and former Mass Market players who chose to play high limit games; and
- Mass Market players, which comprise players choosing lower limit games, table games and slot machines, and who do not participate on rolling chip programs.

As of March 31, 2025, Hann Casino Resort had 240 gaming tables, 1,162 slot machines and 72 electronic table games. It features non-gaming facilities, such as the 8th Avenue Mall and Hann Signatures, a premium retail outlet offering a selection of gadgets, liquors, perfumes, watches and accessories catered to gaming and non-gaming patrons. In addition, we are committed to enhancing our players’ gaming experience by integrating online and offline games, leveraging partnerships with online gaming providers. See “—*Operations— Casino and Gaming*.” To accommodate the growing number of players, we began the construction of our two-floor gaming floor

extension, which is expected to add over 60 gaming tables and more than approximately 500 slot machines, along with a multilevel parking structure with approximately 330 parking slots. See “—Expansion Plans —GCE Expansion”

Our two internationally-branded five-star hotels, the Clark Marriott Hotel and Swissôtel Clark Philippines, cater to international and local business and leisure customers. As of the date of this Prospectus, our hotels are two out of only three five-star hotels located in Clark and the entire Central Luzon according to The Innovation Group. The Clark Marriott Hotel is the first five-star hotel in Central Luzon, with 260 rooms and suites, three restaurants, a lobby lounge, a bar and a coffee outlet. On the other hand, the Swissôtel Clark Philippines is the first Swissôtel hotel in the Philippines, with 372 rooms and suites, five restaurants, three bars, and a lounge. Our hotels were given Traveler’s Choice Awards by Trip Advisor and named as the Philippines Best Leading Lifestyle Hotel at the 30th World Travel Awards in 2024. See “—Operations— Hotels.”

For the years ended December 31, 2022, 2023 and 2024 we had total revenue of ₱8,639.5 million, ₱11,693.3 million and ₱12,572.3 million (U.S.\$219.1 million), respectively, and total comprehensive net income of ₱1,1436.0 million, ₱2,589.6 million and ₱1,703.7 million (U.S.\$29.7 million), respectively. For the three months ended March 31, 2024 and 2025, our total comprehensive net income was ₱625.9 million and ₱844.4 million (U.S.\$ 14.7 million), respectively.

As of December 31, 2024 and March 31, 2025, we had total consolidated assets of ₱33,769.7 million and ₱34,898.1 million (U.S.\$608.4 million), respectively.

COMPETITIVE STRENGTHS

We believe that our key competitive strengths include the following:

We operate a leading integrated resort in Clark with key leisure offerings.

We operate Hann Casino Resort, a premier integrated resort situated on an 11-hectare property located in Clark, Pampanga in Central Luzon, which caters to a diverse market. We began our operations in 2008 and have since grown our business to become a leading player among Clark-based land casinos with the largest market share of 47.3% as of 2024 according to The Innovation Group. We are recognized as the first one-stop leisure destination of scale which caters to a diverse market in Clark, Central Luzon and Metro Manila according to The Innovation Group.

Hann Casino Resort offers a mixed leisure and entertainment experience targeted to a broad base of visitors. We aim to provide our visitors with world-class hospitality services through our two internationally-branded five-star hotels, the Clark Marriott Hotel and Swissôtel Clark Philippines, alongside various dining and retail options. We recorded 1,512,732, 1,764,238, and 1,765,006 total visitations for both gaming and non-gaming patrons in Hann Casino Resort as of December 31, 2022, 2023 and 2024, respectively, demonstrating a significant growth in CAGR equivalent to 5.3% from 2022 to 2024. As of March 31, 2025, we had 429,752 guest visitations in Hann Casino Resort.

We provide a wide range of gaming options from classic table games to modern electronic gaming machines to cater to both the VIP and Mass Market players. As of March 31, 2025, we have 240 gaming tables, 1,162 slot machines and 72 ETGs over our aggregate gaming area of 13,656 sq. m.

To further establish ourselves as a leading integrated resort operator in Central Luzon, we, together with our affiliate, secured a 455.6-hectare land bank in New Clark City, Tarlac, Philippines, which will be developed into a master planned mixed-used development, Hann Reserve. Hann Reserve will feature three 18-hole championship golf courses, together with an exclusive affiliation with the PGA. According to The Innovation Group, the development of the three golf courses in Hann Reserve cements Clark as a top destination for golfers, and Hann Reserve as one of the unique integrated resorts in the region. We believe that the addition of the golf courses in Hann Reserve will provide us with a competitive edge over our peers, providing us with a unique mix of gaming and non-gaming offerings for our patrons. As such, we believe that we are well-positioned to capture the large golf market of domestic and foreign players in Central Luzon.

We are strategically located in one of the emerging cities in the Philippines.

Hann Casino Resort is located in the heart of Clark, one of the fastest-growing tourist cities in the Philippines and Asia Pacific according to The Innovation Group. In particular, our integrated resort is situated in the Clark Freeport

Zone, an emerging economic hub managed by the CDC. The Clark Freeport Zone is envisioned to be a central hub for business and tourism, and a key driver for investment activity in the region. We are strategically located near major transportation infrastructures, providing us with both land and air connectivity. We are approximately 7.5 km away from Clark International Airport, which hosts approximately 160 domestic and international flights weekly, making it highly accessible to both domestic and international visitors. Clark is also highly accessible through major expressways, North Luzon Expressway (“NLEX”) and SCTEX, making it an approximately a two-hour drive away from Metro Manila. We believe that our wide accessibility will allow us to tap both domestic and international tourists as Clark continues to modernize.

Furthermore, we expect to see sustained growth and development in Clark, supported by major infrastructure projects that are expected to further improve Clark’s connectivity in the Philippines and the region. We expect that the NSCR, a 148-km railway being developed in Luzon, will enhance connectivity between Metro Manila and Pampanga. The BCDA remains committed in transforming the Clark International Airport into a reliable gateway to the Philippines and has major expansion plans to support a larger scale of annual passenger movement.

According to The Innovation Group, Clark has become a destination city for foreign tourists with foreign arrivals accounting for approximately 64.2% of total arrivals in Clark in 2024. The Innovation Group reports that foreign visitation has grown by 5.9 times, from 131,997 arrivals in 2021 to 777,513 arrivals in 2024, reaching 88% of pre-pandemic levels. Furthermore, The Innovation Group projects that foreign arrivals will reach 2.2 million by 2028, underscoring the potential growth of Clark as a top tourist destination city in the Philippines. Additionally, The Innovation Group anticipates that the tourism market in Clark will grow from 4.0 million visitors in 2024 to 5.1 million visitors in 2029, with the overall base tourism estimated to increase by a CAGR of approximately 4.9%.

Based on the 2024 statistical report published by CDC, visitations to Clark continued to grow as total visitors reached approximately 4.0 million as of December 31, 2024, an increase of approximately 18.7% from approximately 3.4 million as of December 31, 2023. We believe that the Clark tourism market has recovered from the pandemic, having surpassed pre-pandemic visitation levels of 3.9 million in 2019 according to CDC.

Apart from our presence in the Clark Freeport Zone, we are expanding our footprint through the development of Hann Reserve in New Clark City, a 9,450-hectare sustainable-driven community being developed by the BCDA. New Clark City is envisioned to be an emerging metropolis that promotes sustainable design, aims to reduce traffic congestion, and enhances infrastructure resilience and urban planning. Through Hann Reserve, we believe that we are well-positioned to capitalize on increased visitation in the area as New Clark City continues to develop and new facilities commence operations.

We are a leading gaming operator in Clark with a proven track record.

We have accumulated substantial operational experience and a deep understanding of the Clark gaming market over our nearly two decades of operations. Our operational excellence is supported by our growing capacity, having expanded our gaming operations from 24 gaming tables and 150 slot machines in 2009 to 240 gaming tables, 1,162 slot machine and 72 ETGs as of March 31, 2025, making us the largest gaming operator in Clark according to The Innovation Group. For the year ended December 31, 2024, we had the largest market share in terms of GGR of approximately 47.3%, which was similar to the cumulative share of the next three gaming operators in Clark according to The Innovation Group.

Our gaming expertise is backed by a professional team of casino marketing executives brought to the Philippines from middle to high senior management in large and regional casinos. Through our management’s combined operational experience and deep industry knowledge, we increased our GGR from ₱8.7 billion in 2022 to ₱12.7 billion in 2024, representing a CAGR of 20.2%. The increase was driven by our growth in Mass Market tables and VIP tables GGR, which reached ₱5.1 billion and ₱2.6 billion, respectively, in 2024. Our strong gaming execution has enabled us to outperform our Clark peers and significantly increased our market share in a fast-growing gaming market from 28.3% in 2020 to 47.3% in 2024 according to The Innovation Group. We believe that as the leading gaming operator and our deep industry knowledge over our peers in Clark, we are equipped to maintain our leading market position as Clark continues to expand and attract players from the region.

On the back of strong cash flow generation, we continue to demonstrate revenue growth, with gross revenues reaching ₱12.7 billion in 2024, a 7.5% increase from 2023. Our gaming operations continue to be a significant contributor to our revenue, accounting for 87.0% of total revenues in 2023 and 2024. We have demonstrated high EBITDA Margins of 38.7% and 34.8% in 2023 and 2024, respectively.

On March 25, 2024, HPI received its authority to engage in remote gaming activities from PAGCOR, and we successfully launched our online table games in the second quarter of 2024 and online slots in the first quarter of 2025. On February 13, 2025, HPI received the authorization to commence operations of its electronic casino (“E-Casino”) games. We are exploring various business opportunities to grow our online platform, Hann Live Online, to support our online gaming and remote gaming initiatives.

We provide best-in-class hospitality services in Clark.

Our integrated resort features leading branded hotels and dining options in Central Luzon that are owned and operated by Hann Casino Resort. Given our strong presence in Clark, we have become the partner-of-choice of globally renowned hotel brands including “Marriott” and “Swissôtel”. We have established a good relationship with Marriott and Swissôtel and have been managing the Clark Marriott Hotel and the Swissôtel Clark Philippines since 2018 and 2022, respectively.

The Clark Marriott Hotel is the first five-star hotel in Central Luzon accredited by the Philippine Department of Tourism (“DOT”), while Swissôtel Clark Philippines is the first Swissôtel hotel in the Philippines. The Clark Marriott Hotel and Swissôtel Clark Philippines are two of only three five-star rated hotels in Clark according to The Innovation Group. Our hotels enjoy high occupancy rates, averaging approximately 86.0% in 2024, which is higher than the industry average in Clark of approximately 78.0% for the same period, according to CDC.

As a testament to our strong hotel operation capabilities, we received the following recognition for our hotels:

Year	Clark Marriott Hotel	Swissôtel Clark Philippines
2019	- Champion at the World Food Expo Open Flair Challenge - Top Hotel Partner for Content Score at the 2019 Annual Partner Awards by the Expedia Group - Leadership Excellence Award at the 2019 APEC General Manager Awards.	-
2020	Consumer Operations Leadership award at the 2020 APEC General Manager and Hotel Awards.	-
2022	- The Marriott Ballroom was accredited for meeting the ASEAN-MIC standards in the meeting room category - Recognized in the TripAdvisor’s Travelers’ Choice Awards	- Received a rating of 9.4 in the Agoda Customer Review Awards - Awarded the Top Performing Hotel in Asia Pacific from Accorplus
2023	Recognized in the TripAdvisor’s Travelers’ Choice Awards	“Best Leading Lifestyle Hotel” award at the 30th World Travel Awards - Recognized in the TripAdvisor’s Travelers’ Choice Award - Awarded Top Performing Hotel in Asia Pacific from Accorplus
2024	- Ranked as the No. 1 five-star hotel in Central Luzon according to Tripadvisor - Recognized in the TripAdvisor’s Travelers’ Choice Awards “Best Luxury MICE Hotel” award at the Luxury Lifestyle Awards	- Recognized in the TripAdvisor’s Travelers’ Choice Award “Philippines’ Leading Lifestyle Hotel” award at the 31st World Travel Awards
2025	Nominated as the Philippines’ Leading Airport Hotel 2025 by the World Travel Awards	Received the “Best Reputation Performance Score 2024” Award for Premium Brand – Southeast Asia by Accor.

Alongside our top-tier hotels, we operate 18 highly-rated restaurants, each offering different dining options and cuisines to cater to various customer preferences. Our restaurant offerings in the Clark Marriott Hotel was named the Asia Pacific Culinary Leader in 2022 by Marriott International. In 2024, nine of our restaurants were included in Tripadvisor’s top 10 restaurants in Central Luzon, with Smoki Moto ranking first.

Emphasizing our strength in the hospitality business, we have signed agreements with recognized hotel brands such as the Sofitel, Westin, The Luxury Collection, Emblems, and SO, which we expect to be operated at Hann Reserve. We believe that our reputation as a trusted hospitality partner we are well-positioned to capture the growing tourism market and will enable us to broaden our customer base outside of our gaming audience.

Led by a visionary and experienced management team under a lean organizational structure.

We have a strong leadership team with the vision and expertise to steer and grow our business into a leading integrated resort in the Philippines. Our management team comprises of individuals who have established careers and experience, and have formed valuable connections and relationships within the gaming industry.

Mr. Dae Sik Han, our founder, Chairman and President, moved to the Philippines in 2006. Having recognized the potential of Clark, Mr. Han established a hotel and casino complex which started operating with 24 tables and 150 slot machines. Under Mr. Han's leadership, we have grown from an emerging hotel and casino operator to a leading gaming and leisure group. Furthermore, our management team is supported by a seasoned individuals that bring a significant experience in gaming, hospitality, finance, and operations, providing us with deep industry knowledge and unique insights on the Philippine and regional gaming and hospitality landscape.

Leveraging our management's in-depth knowledge and industry expertise, we believe that we are able to consistently stay ahead of industry trends and effortlessly integrate market shifts to our business model. We are confident that our collective experience in the industry will enable us to strengthen our market position and allow us to capture the future opportunities to grow the business.

As a testament, our ability to accurately identify target customers during the COVID-19 pandemic enabled us to achieve a positive net income, recorded a revenue growth of 217.8% and achieved a high occupancy rate of 82% both in 2022, despite the negative pandemic impact brought to the hospitality industry.

BUSINESS STRATEGIES

Our key strategies are set out below:

Strengthen our market position in Clark through the expansion of offerings in Hann Casino Resort..

We intend to further strengthen our leading position in Clark through the continued expansion and diversification of our integrated casino and resort. As part of our ongoing initiatives to diversify our offerings, we are in the process of (i) developing and constructing facilities to accommodate additional gaming capacity, F&B and entertainment space; and (ii) developing a retail wing featuring distinguished brands and diverse dining options. We believe that the diversification of our services will allow us to attract a broad mix of gaming and non-gaming patrons.

We are constructing a two-level facility with an aggregate gaming area of 3,225 sq. m., adjacent to our existing gaming facility. This expansion will comprise gaming floors, F&B offerings and a parking structure ("**GCE Expansion**"). The GCE expansion will increase our gaming capacity with an additional 62 table games, 558 slot machines, and 26 ETGs. The expansion will include a multi-level parking structure and additional casual and fine dining restaurants to complement our gaming facilities. We expect the first level of the GCE Expansion to be operational by October 2025 and to be fully operational by March 2026. The GCE Expansion will significantly increase our gaming capacity by approximately 43.8%, which we believe will reinforce our position as a leading gaming provider in Clark.

We are also in active discussions to construct and develop another gaming and hospitality facility, the Branded Residences and Casino expansion ("**BRC Expansion**"). We intend to develop an additional gaming facility with an aggregate gaming area of 7,537 sq. m., increasing our overall gaming capacity. The BRC Expansion will include two branded residential towers with approximately 1,392 units; 3,247 sq. m. of function rooms; and various new F&B options. We expect that the expansion will be fully operational by the end of 2028.

As part of our strategy to expand our non-gaming offerings, we are also in the final stages of development of our shopping complex, 8th Avenue Lifestyle Mall. The 8th Avenue Lifestyle Mall will occupy approximately 3,514 sq. m. of gross leasable area, consisting of 19 active retail spaces. Our retail space is expected to be completed and fully operational by October 2025. As of March 31, 2025, the development is 98.0% completed and has achieved an occupancy rate of 90.0%.

Develop a holistic leisure and hospitality experience for the growing tourism market through Hann Reserve in New Clark City.

We intend to strengthen our presence in Central Luzon through the development of Hann Reserve, a 455.6-hectare master planned mixed-use development in New Clark City, Tarlac, Philippines. Hann Reserve is located approximately 20 kilometers from Hann Casino Resort. We believe that Hann Reserve would be the first of its kind in the Philippines, a unique development which features, among other facilities, three designer 18-hole championship golf courses and branded residences.

We, together with our affiliates, intend to develop Hann Reserve in two phases, the first of which commenced its groundbreaking in November 2022. Upon completion, the first phase will include two 18-hole championship golf courses, which will be known as the Nicklaus Golf Course and the KJ Choi Golf Course, and luxury villas. The Nicklaus Golf Course is being designed by Nicklaus Design, a renowned global golf course design firm, while the KJ Choi Golf Course will be designed by K.J. Choi, a South Korean professional golfer. Both golf courses will be developed through an exclusive agreement with the PGA. To complement the golf courses, we are developing luxury villas to provide our guests with an immersive experience rooted in nature and sustainable designs. We believe our professional golf courses and the villas will be a key attraction to draw local and foreign visitors to New Clark City. As of March 31, 2025, we believe that we are on track to meet our target completion of the first phase by 2027.

The second phase of Hann Reserve will be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, Emblems and SO, among others, as well as a mixed-use commercial center. We intend to complement the estate with another 18-hole championship golf course, the Faldo Golf Course, which will be designed by Faldo Design, an international golf course design firm headed by Nick Faldo. The second phase of Hann Reserve is expected to commence construction in 2028.

According to The Innovation Group, Clark has become a popular golfing destination among Asian golfers with a cluster of four courses and clubs, offering a total of 108 holes. In comparison to the existing golf courses, we believe that our proposed development will be the first premier golf courses to be introduced in Clark, and that the proposed development of our designer courses will cement Clark as a top destination for golfers in the region.

Furthermore, we believe that our strategy to develop premier golf courses in Clark provides us with a unique, competitive edge among the other integrated resorts in Entertainment City and Clark. Upon completion of Hann Reserve, we will have positioned ourselves as the first integrated resort with golf course offerings in the Philippines. We are confident that the addition of golf courses will not only diversify our revenue base but also contribute to an increase in gross gaming revenue from an increase in premium mass market customers and induced tourist visits.

The following table provides key operational data relating to the planned development of Hann Reserve as of March 31, 2025:

Details	Phase 1	Phase 2
Number of units	30 villas	20 villas Sofitel – 300 rooms Westin – 200 rooms The Luxury Collection – 50 rooms Emblems – 200 rooms SO – 300 rooms
Golf course	Two golf courses (Nicklaus Golf Course and KJ Choi Golf Course)	One golf course (Faldo Golf Course)
Other non-gaming features	10-hectares for public park; 3.6 hectare clubhouse with a driving range and amenities; golf academy and driving range; outdoor activity area; an international school; and other mixed-use developments.	Driving range

Details	Phase 1	Phase 2
Projected completion	End of 2025 (expected) for Nicklaus Golf Course and Clubhouse, end of 2027 (expected) for villas and KJ Choi Golf Course; end of 2030 for the public park	End of 2030 (expected) for Faldo Golf Course and Golf Residences

We believe that the development of Hann Reserve and any future development are expected to increase foot traffic and customer interest in the casino, hotels, and other facilities operated and managed by HHI. We anticipate that Hann Reserve will be a considerable development in New Clark City and Central Luzon which will stimulate economic activity and drive tourism growth in Clark.

Diversify our gaming business through differentiated online gaming offerings.

We intend to increase our market penetration by capturing the upward trend in the online gaming market in the Philippines. We continue to actively explore business opportunities for the integration of online gaming services into our business model, which will enable us to provide our existing patrons with alternative gaming platforms that are leading the gaming landscape.

We have commenced the rollout of online gaming to our patrons through our unified platform, Hann Live Online, which as of March 31, 2025, hosts 103 random number generator games. This initiative facilitates player access to a wide selection of games via internet-based platforms which has already been implemented in 2024 and the first quarter of 2025. We intend to expand our portfolio of E-Casino games to approximately 500 games by end of 2025. As we diversify our gaming services, we will continue to enhance our technology and R&D capabilities to support our venture into online gaming.

As part of our expansion initiatives into the online gaming space, we intend to partner with a global entertainment and gaming company to roll out our online gaming initiatives.

Develop an integrated gaming floor for physical and online gaming.

We intend to redefine the gaming landscape by offering a blend of brick-and-mortar gaming and online gaming. To facilitate this, we will integrate the remote gaming in the Hann Live Online platform.

We believe that this integration would allow us to provide a seamless and immersive experience for our patrons, combining physical gaming with the convenience of digital access. Our remote gaming capabilities seeks to enable players to engage in live games online, with dealers operating from our physical locations, thus maintaining the authenticity of live gaming. We are leveraging advanced customer relationship management systems and platforms to synchronize these experiences, offering data-driven insights to improve customer engagement. We believe that this approach not only expands our market reach, but positions us to reach local market segments by attracting a broader audience.

The remote gaming floor will consist of 10 gaming tables and 97 slot machines which will be available to use online on our web-based platform. Our remote gaming feature will allow users to engage in real-time gaming with our dealers, mirroring the experience of being physically present in the casino. We believe that the launch of our livestream games will expand our target demographic and drive deeper engagement with our patrons.

We are leveraging advanced customer relationship management systems and platforms to synchronize these experiences, offering data-driven insights to improve customer engagement. We believe that this approach not only expands our market reach, but positions us to reach local market segments by attracting a broader audience.

Boost foreign visitation through various partnerships and collaborations with internationally recognized organizations.

To strengthen our ties with international patrons, we, through our affiliate, are actively securing business relationships with reputable industry players in the Asia-Pacific region. Our aim is to use these partnerships to drive foreign visitation to Clark as one of the only foreign-led casino in the Philippines.

As of March 31, 2025, we are in advanced discussions for a joint venture with a regional steel manufacturing company, for construction and development opportunities in the Philippines. We continue to actively explore business opportunities to drive foreign demand in Clark.

HISTORY AND CORPORATE MILESTONES

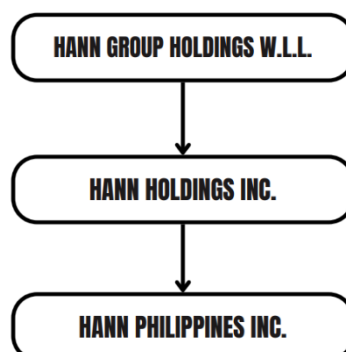
Year	Milestones
2006	HHI's affiliate, Widus International Leisure, Inc. (formerly Hann International Leisure Inc.) ("WILI") established Widus Hotel and Casino, which comprised two hotel towers (Widus Hotel Clark) and a gaming facility (Widus Casino).
2009	Widus Hotel and Casino, operated by our affiliate, WILI, began operations with 24 tables and 150 slot machines.
2016	- HHI and HPI were incorporated on February 22 and 24, 2016, respectively. - PAGCOR consented to the Deed of Accession, which was entered into between WILI and HPI for each to become co-holders of a provisional license to operate a casino issued by PAGCOR. - Widus Casino increased its capacity to 54 gaming tables and 288 slot machines.
2018	Clark Marriott, the first five-star hotel in Central Luzon, opened with 260 rooms.
2019	- On July 31, 2019, PAGCOR granted a regular casino gaming license to HPI. - On October 18, 2019, HDC was incorporated. - Clark Marriott was named the champion at the World Food Expo Open Flair Challenge. - Clark Marriott won the Top Hotel Partner for Content Score at the 2019 Annual Partner Awards by the Expedia Group. - Clark Marriott received the Leadership Excellence Award at the 2019 APEC General Manager Awards.
2020	- Widus Casino was rebranded to "Hann Casino". - Clark Marriott received the Consumer Operations Leadership award at the 2020 APEC General Manager and Hotel Awards.
2021	- On December 15, 2021, Hann Casino Resort's gaming facilities moved to its current location, and increased its operations to 58 gaming tables, 243 slot machines and 39 electronic gaming machines. - Hann Casino Resort received the 2021 Tripadvisor Travelers' Choice Award.
2022	- In March 2022, Swissôtel Clark Philippines began its operations. - In August 2022, Swissôtel Clark Philippines received a rating of 9.4 in the Agoda Customer Review Awards. - In November 2022, Hann Reserve, a luxury gaming and golf resort with an exclusive affiliation with PGA, breaks ground. - Swissôtel Clark Philippines was awarded the Top Performing Hotel in Asia Pacific from Accorplus.
2023	PAGCOR approved the removal of WILI's status as co-licensee of the Gaming License and HPI became the sole licensee to operate the casino.

Year	Milestones
	• HHI acquired all the shares of HDC, making HDC a subsidiary of HHI. • HPI held the groundbreaking ceremony for Hann Reserve. • Hann Casino Resort was recognized as the Best Integrated Resort Workplace by the IAG IR Awards • HPI received the Top Investors and Top Employment Performance in Clark from the Clark Freeport Zone • Swissôtel Clark Philippines received the “Best Leading Lifestyle Hotel” award at the 30th World Travel Awards and was recognized as one of the top 10% properties in Tripadvisor and received the Travelers’ Choice Awards. • Swissôtel Clark Philippines was awarded the Top Performing Hotel in Asia Pacific from Accorplus for the second time.
2024	• Clark Marriott Hotel was ranked as the No. 1 five-star hotel in Central Luzon according to Tripadvisor • Clark Marriott Hotel was as one of the top 10% properties in Tripadvisor and received the Travelers’ Choice Awards for the 6th consecutive year. • Swissôtel Clark Philippines received the “Philippines’ Leading Lifestyle Hotel” award at the 31st World Travel Awards. • HPI received its authority to engage in Philippine inland gaming operations (“PIGO”) under its Gaming License from PAGCOR on March 25, 2024. • On August 30, 2024, HHI increased its authorized capital stock to ₱410,000,000.00 and amended its by-laws. • On October 21, 2024, HPI acquired all the shares of HDC and was merged into one entity.
2025	• On January 28, 2025, PEZA approved the registration of HPI as a developer / operator over the 131 hectares of the Hann Reserve as a Mixed-Use Special Economic Zone. • On February 13, 2025, HPI received authorization to commence operations of its E-Casino games. • On February 20, 2025, PEZA approved the registration of the additional 324.6 hectares of the Hann Reserve as a Mixed Use Special Economic Zone. • On May 5, 2025, Hann Casino Resort received the Certificate of Recognition for the National Anti-Money Laundering/Counter-Terrorism Financing/Counter-Proliferation Financing Coordinating Committee honoring key contributors to the Philippines’ successful exit from the FATF Grey List at the Malacañang Palace in Manila. • Swissôtel Clark Philippines received the “Best Reputation Performance Score 2024” Award for Premium Brand in the Southeast Asia category by Accor.

CORPORATE STRUCTURE

The chart below sets out the Company's corporate structure as of March 31, 2025.

Corporate Structure of HHI (as of the date of this Prospectus)



OPERATIONS

Hann Casino Resort is located in the Clark Freeport Zone, Pampanga. It comprises (i) an integrated gaming, entertainment and retail space offering table games, slot machines, electronic gaming, live entertainment, and food and beverage offerings, and (ii) two internationally-branded five-star hotels, Clark Marriott Hotel and Swissôtel Clark Philippines, offering accommodation, dining, conference and leisure services.

Our current operations in Hann Casino Resort are described below.

Hann Casino Resort

Hann Casino Resort is the first integrated gaming, entertainment, leisure and hospitality resort destination in Central Luzon according to The Innovation Group. The property is situated on an approximately 11-hectare parcel of land which is located within the Clark Freeport Zone.



Hann Casino Resort is conveniently located near transportation hubs, as it is only 6.5 kilometers from the Clark International Airport and 0.5 kilometers from the North-South Commuter Railway. As of March 31, 2025, Hann Casino Resort comprised a gaming facility with an aggregate gaming area of 13,656 sq. m., 18 restaurants and bars, one retail outlet and kiosk, and two hotels: (i) Clark Marriott Hotel, the first five-star hotel in Central Luzon with 260 rooms and suites, three restaurants, a lobby lounge, a bar and coffee outlet; and (ii) the Swissôtel Clark

Philippines, the first Swissôtel hotel in the Philippines with 372 rooms and suites, five restaurants, three bars, and a lounge.

The following table sets forth data on our existing operations as of March 31, 2025:

	As of March 31, 2025
Aggregate gaming area (sq. m.)	13,656
Gaming units:	
VIP tables	118
Mass Market tables	122
Slot Machines ⁽¹⁾	1,162
ETG	72
Hotels⁽²⁾	
Clark Marriott Hotel room keys	260
Swissôtel Clark Philippines room keys	344
Retail and Dining	
Total retail space (sq. m.)	3,426
Total dining space (sq. m.)	7,868
Parking spaces	930

Note:

- (1) Slot machines comprise 1,059 traditional slot machines, and 103 remote/online gaming slot machines as of March 31, 2025.
(2) Room keys means keys that are ready to be issued to guests upon check-in, indicating that the rooms are prepared and guests can access them using keys provided by the hotels.

The following table sets out key operating data on our operations at Hann Casino Resort.

	For the year ended December 31, 2024	For the three months ended March 31, 2025
Visitor statistics:		
Total visitation	1,765,006	429,752
Number of loyalty program memberships	236,752	56,455
Gaming statistics:		
Total drop (P millions)	P177,065	P40,647
Hotel Statistics⁽¹⁾:		
Average daily room rate	P7,334	P7,672
Average occupancy percentage	87.1%	86.8%
Revenue per available room	P6,387	P6,662

Note:

- (1) Inclusive of complimentary hotel stay offerings to qualified guests.

Hann Casino Resort has witnessed strong growth in visitor arrivals since commencement of its operations and since the end of the COVID-19 pandemic. The table below sets out the total visitation and average daily visitation to the Hann Casino Resort for the years ended December 31, 2022, 2023 and 2024, and the three months ended March 31, 2024 and 2025.

	Average Daily Visitation	Total Visitation
For the year ended December 31,		
2022	3,952	1,512,731
2023	4,834	1,764,238
2024	4,822	1,765,006
For the three months ended March 31,		
2024	4,981	453,248
2025	4,775	429,752

Casino and Gaming

We operate our casino and gaming operations under the “Hann Casino” brand and is led by executives with years of experience from international companies in Macau and Singapore. The gaming facility is situated on two floors comprising an aggregate gaming area of 13,656 sq. m., which accommodates a wide range of table games such as Baccarat, Super Six, Roulette, Craps, Black Jack, Money Wheel, Pai-gow, Pontoon, Sic-Bo, Lunar Poker, and Texas Hold’em Progressive. Our casino also has slot machines, including traditional and online/remote slot machines, and ETGs that supplement the table game areas.



Mass gaming tables



VIP Gaming Tables (H-Club)

As part of our gaming offerings, we host numerous tournaments every year covering games such as Baccarat, Poker and slot machine games. For example, we regularly hold the Baccarat Duo Championship and the Hann Slot Tournament. We believe that these tournaments help increase the overall profile of the casino and drive more visitors to the property. Historically, the resort has consistently run at higher capacity rates during these tournaments.

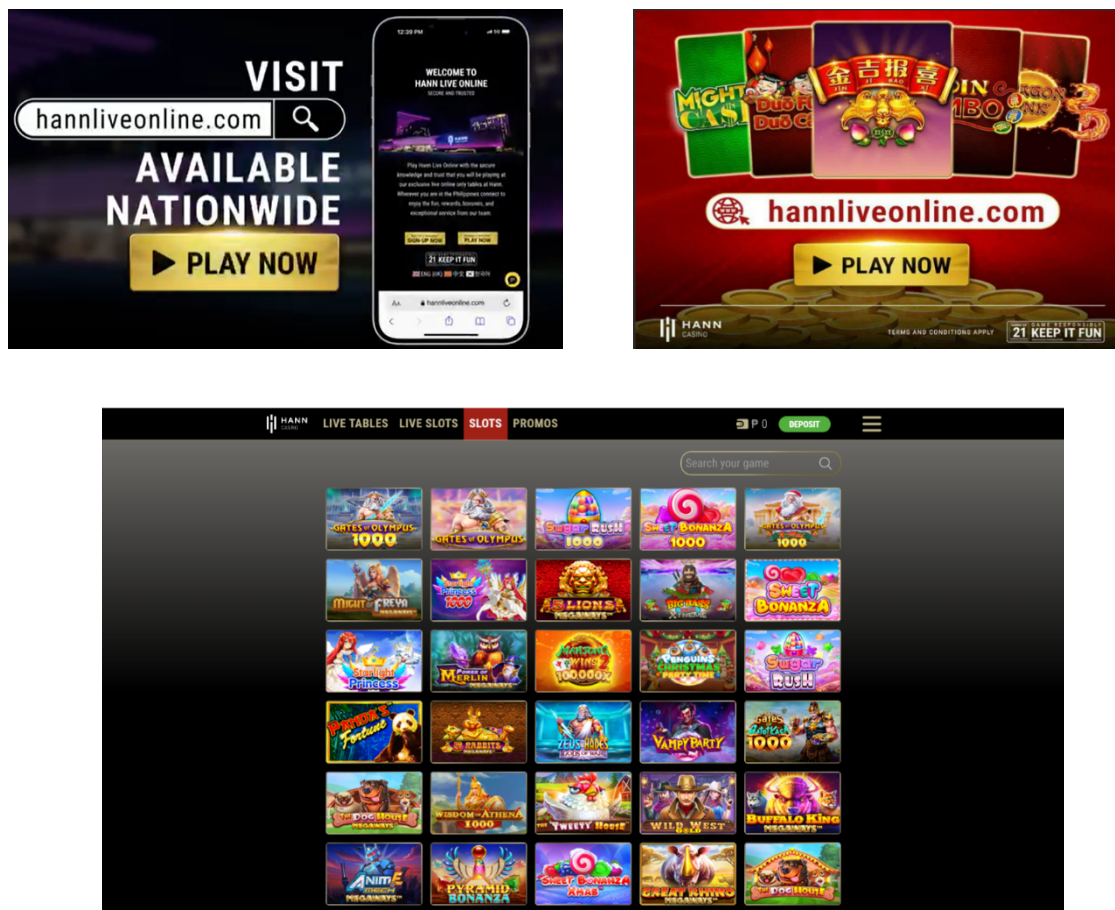
The table below presents a key operating summary of Hann Casino’s casino and gaming facilities.

	As of and for the years ended December 31,			As of and for the three months ended March 31,	
	2022	2023	2024	2024	2025
Gaming units (as of the year / period end)					
VIP tables	69	90	118	90	118
Mass Market tables.....	93	96	124	105	122
Slots.....	780	888	962	891	1,162
ETG.....	88	72	72	72	72
Total drop volume (P millions)⁽¹⁾					
VIP tables	62,261.9	75,813.0	78,024.4	23,305.7	15,874.2
Mass Market tables.....	12,099.7	17,513.7	19,614.4	5,281.3	4,744.0
Slots.....	52,474.0	62,813.3	66,205.3	17,362.2	17,329.4
ETG.....	8,019.5	10,641.3	13,220.8	3,165.2	2,699.7
Win rate (hold)⁽²⁾					
VIP tables	3.2%	3.3%	3.4%	2.9%	4.1%
Mass Market tables.....	23.3%	26.7%	26.5%	27.8%	31.2%
Slots.....	7.1%	6.9%	7.0%	7.0%	7.1%
ETG.....	2.8%	2.4%	2.0%	1.9%	2.1%
Gross Gaming Revenues (P millions)					
VIP tables	1,960.6	2,533.4	2,612.4	676.7	653.8
Mass Market tables.....	2,818.3	4,677.9	5,200.0	1,465.9	1,481.7
Slots.....	3,703.9	4,347.0	4,639.5	1,218.7	1,238.7
ETG.....	225.1	257.8	260.0	58.8	57.4

Note:

- (1) Refers to the total amount of money exchanged for chips at gaming tables or wagered in slot machines and ETGs, and is a measure of the total amount of money that players bring to the casino to gamble.
- (2) Refers to the percentage of total drop volume that the casino retains as profit, and is a measure of the casino's earnings from the games we offer. The win rate is calculated by dividing the casino's total winnings by the total amount wagered by players.

Hann Live Online



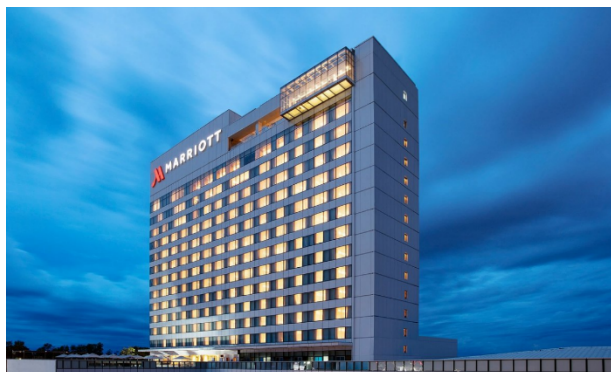
Hann Live Online

HPI received its authority to engage in PIGO activities from PAGCOR on March 25, 2024, which enables us to expand into remote gaming within the Philippines. We began implementing our PIGO software solution to provide a fully integrated internet-based platform for our patrons to remotely play table games and slot machine games anywhere within the Philippines. On February 13, 2025, HPI received the authorization to commence operations of its online games such as E-Casino games. In order to broaden the reach of our gaming offerings, we launched our unified online gaming platform, Hann Live Online, which is exclusively available in the Philippines. We have player management control systems in place, using industry-specific know-your-customer and customer due diligence processes prior to registration. Through Hann Live Online, we host (i) 103 random number generator games (ii) remote gaming through live table games, and (iii) online slot machines.

We believe that the integration of our online and offline gaming offerings complements our existing gaming facilities, which include both VIP and Mass Market gaming areas which operate 24-hours daily. The VIP area comprises an aggregate gaming area of 10,145 sq. m. with 118 VIP tables as of March 31, 2025, including two exclusive Bay Suite rooms, an invitation-only private gaming facility for certain VIP players with lifestyle amenities such as luxury furnishings, a high-end lounge and a variety of fine dining options. The Mass Market area comprises all non-VIP areas with an aggregate gaming area of 3,511 sq. m. with 122 Mass Market tables as of March 31, 2025.

Hotels

The Clark Marriott Hotel⁴



Clark Marriott Hotel

The five-star Clark Marriott Hotel caters primarily to international and local business and leisure travelers. As of March 31, 2025, it had 260 rooms across a gross floor area of 38,589 sq. m. The Clark Marriott Hotel is located adjacent to our casino and is connected to our gaming facilities allowing easy access for hotel guests. The hotel also offers restaurants, a swimming pool, spa and gym. We entered into a hotel management agreement with RHICL for the management of the 260-room hotel until December 31, 2043, which may be automatically renewed for two successive periods of five fiscal years each, subject to the terms and conditions of our agreement with RHICL. Under the hotel management agreement, RHICL is responsible for the day-to-day operations of the hotel, and supervision of hotel employees for a fixed-percentage management fee as well as incentive and royalty fees for its services and use of trademarks, respectively. The use of trademarks, however, does not extend to our casino nor to its marketing and advertising. Under the hotel management agreement, we retain full control over the management and operations of our casino and is kept separate from the operations of the hotel. While our casino is connected to Clark Marriott Hotel, the management of the casino is operationally independent and separate from the day-to-day operations of the hotel and its restaurants.

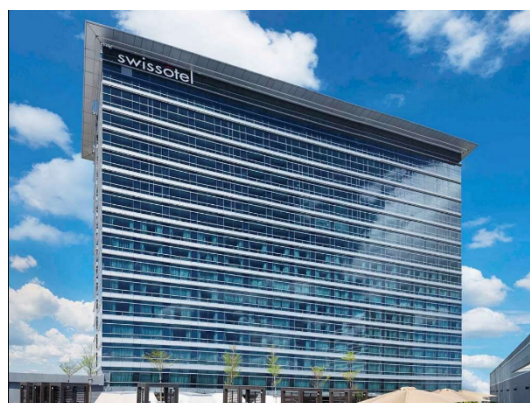
The Clark Marriott Hotel also features a 1,014 sq. m. events space with one ballroom (the “**Marriott Ballroom**”) and four meeting rooms which may be configured to host banquets, conferences, and other events. In 2022 and 2024, the Marriott Ballroom received its accreditation for meeting the ASEAN meeting, incentive, convention, and exhibition (the “**ASEAN-MICE**”) standards in the meeting room category.

The table below presents a key operating summary of the Clark Marriott Hotel inclusive of complimentary hotel stay offerings to qualified guests, equivalent to approximately 2.7% of our average occupancy rate as of March 31, 2025.

	For the years ended December 31,			For the three months ended March 31,	
	2022	2023	2024	2024	2025
Operating days.....	365	365	366	91	90
Average no. of rooms	260	260	260	260	260
Average daily room rate	₱6,301	₱7,557	₱7,579	₱7,264	₱7,629
Average occupancy rate	77.9%	78.0%	81.1%	79.7%	86.4%
Revenue per available room...	₱4,935	₱5,771	₱6,143	₱6,035	₱6,588

⁴ The disclosures hereto have been prepared solely by the Issuer without assistance or involvement from RHICL, together with each of their affiliates and partners, the “RHICL Group”). The RHICL Group makes no representations or warranties as to the accuracy, adequacy or completeness of any of the following information, including any financial information and any projections of future performance, with respect to the hotel brands, or any other disclosures contained in this Prospectus.

The Swissôtel Clark Philippines⁵



Swissôtel Clark Philippines

The Swissôtel Clark Philippines, which began operations in March 2022, is a five-star luxury hotel brand of S&P, Inc. or the Accor Group, catering to international and local business and leisure travelers. We entered into a franchise agreement with S&P, Inc. for the use of the trademarks and operation of the Swissôtel Clark Philippines, subject to the terms and conditions of the agreement which is valid until December 31, 2043. As of March 31, 2025, it had 344 room keys available across a gross floor area of 35,541 sq. m. The Swissôtel Clark Philippines is located adjacent to our casino and is connected to its gaming facilities allowing easy access for hotel guests. The hotel also offers dining services through its restaurants, several swimming pools, a spa and a gym. We entered into a franchise agreement with the Accor Group to franchise the use of the “Swissôtel” brand. Under the franchise agreement, we pay the Accor Group franchise fees, including fees for establishment, franchise support, system, sales, marketing, reservation, accounting, technology and loyalty program.

The table below presents a key operating summary of the Swissôtel Clark Philippines inclusive of complimentary hotel stay offerings to qualified guests equivalent to approximately 53.4% of occupied room nights as of March 31, 2025.

	For the years ended December 31,			For the three months ended March 31,	
	2022	2023	2024	2024	2025
Operating days.....	365	365	366	91	90
Average no. of rooms available	211	264	314	297	344
Average daily room rate.....	₱6,588	₱6,936	₱7,575	₱7,050	₱7,752
Average occupancy rate	88%	94%	89%	93%	87%
Revenue per available room...	₱5,739	₱6,400	₱6,796	₱6,691	₱6,718

⁵ The disclosures hereto have been prepared solely by the Issuer without assistance or involvement from any of (a) S&P, franchisor of Swissotel, (b) Accor Luxury Philippines, Inc, prospective franchisor of Emblems and Sofitel, or (c) Ennismore Asia Pte. Ltd., prospective franchisor of SO ((a), (b) and (c), together with each of their affiliates and partners, the “Franchisor Group”). The Franchisor Group makes no representations or warranties as to the accuracy, adequacy or completeness of any of the following information, including any financial information and any projections of future performance, with respect to the hotel brands, or any other disclosures contained in this Prospectus.

Entertainment, Retail and Food & Beverage

Entertainment



Bar 20

To complement the casino and gaming areas, we provide live weekend entertainment to both gaming patrons and non-gaming patrons. The gaming facility also includes “Bar 20” casino bar area that features quality local singing acts and entertainers. The Marriott Ballroom is likewise used as an events space for concerts and local performances.

Retail



8th Avenue Lifestyle Mall

The retail space in Hann Casino Resort encompasses 19 active retail spaces covering approximately 3,514 sq. m. of gross leasable area, including the 8th Avenue Lifestyle Mall. These retail spaces feature high-end boutiques and signature brand-name stores from internationally-recognized cosmetic and lifestyle brands, and dining options. As of March 31, 2025, we achieved an occupancy rate of 90.0% as we approach the full development of the 8th Avenue Lifestyle Mall, which we expect to be completed in the third quarter of 2025.

Dining



Smoki Moto



Markt

The gaming facility features large bar areas at the gaming floor surrounded by multiple dining options to cater to a broad array of customer tastes. Hann Casino Resort provides a 24-hour F&B service with a variety of restaurants featuring diverse cuisines, including Nasi Filipino Cuisine, KAI Korean Cuisine and Spice Street Eats.

The Clark Marriott Hotel features all-day buffet at Goji Kitchen Bar, Korean cuisine at Smoki Moto, Wu Xing Chinese Restaurant, The Lounge, Pool Bar and Urban Coffee. Swissôtel Clark Philippines offers all-day dining at Markt, Italian specialties at Ristorante Di Verona, The Atrium lobby lounge, Oma's dessert bar, Swiss Tropic pool bar, second branches of Nasi Filipino Cuisine and KAI Korean Cuisine. Meanwhile, the 8th Avenue Lifestyle Mall houses dining options such as the Hard Rock Café, The Dine by Tony Jung and Lucky Dumpling. All of our F&B outlets are owned and operated by HPI.

Through the variety and the quality of our F&B offerings, we aim to position ourselves as the “Culinary Capital of Clark”. As a testament to this, our F&B offerings in the Clark Marriott Hotel was named the Asia Pacific Culinary Leader in 2022 by Marriott International. In 2024, nine of our restaurants were included in Tripadvisor's top 10 restaurants in Central Luzon with Smoki Moto ranking first.

The table below sets out summary data on the dining space in the Hann Casino Resort.

	As of December 31,			As of March 31,	
	2022	2023	2024	2024	2025
Total dining space (sq. m.).....	7,868	7,868	7,868	7,868	7,868
Number of F&B outlets	15	15	16	18	18
Food covers ⁽¹⁾	1,003,250	1,095,079	1,018,100	284,533	252,152
Average check size per food cover	₱2,160	₱2,054	₱2,110	₱1,995	₱2,120

Note:

(1) Food covers represent the number of individual meals or servings provided to guests at our F&B outlets.

As of March 31, 2025, our F&B outlets comprised (i) eight restaurants, (ii) five bars, (iii) four lounges and cafes, and (iv) one junket room restaurant serving junket players exclusively.

EXPANSION PLANS

Hann Reserve

On December 6, 2018, an unsolicited proposal was submitted to the BCDA by a consortium comprised of our Group and HILI, to lease and develop a 455.6-hectare property located in New Clark City, Tarlac, Philippines into a luxury mountain resort consisting of, among others, golf courses and a luxury resort as of March 31, 2025. On October 10, 2019, we received a Notice of Award issued by the BCDA to lease the property for a period of 50 years.



Hann Reserve

HPI is developing Hann Reserve as a master planned mixed-use development in New Clark City. In November 2022, we broke ground on Hann Reserve, a luxury estate development which we expect to complete the first phase by 2027.

To implement our expansion plans, the estate is expected to include a clubhouse, two 18-hole championship golf courses designed by Nicklaus Design (the “**Nicklaus Golf Course**”) and KJ Choi (the “**KJ Choi Golf Course**”) with an exclusive affiliation with the PGA for development facilities. Additionally, we have plans to host international golf tournaments to drive tourist activity and enhance the Clark’s profile as an international golf destination. Moreover, we have plans to host golf conferences, which is expected to gather key personalities and industries involved in the sport, including operators, stakeholders, and brand leaders to showcase of golf courses and other landscapes in the Philippines.

We also intend to complement Hann Reserve with up to 50 luxury villas under a well-known international luxury brand. Hann Reserve is expected to be developed with hotel luxury accommodations from international brands such as Sofitel, Westin, The Luxury Collection, Emblems, and SO, among others, as well as a mixed-use commercial center in addition to other facilities. We expect the development of Hann Reserve and any future development of our affiliates to increase foot traffic and customer interest in our casino, hotels and other facilities in the Hann Casino Resort.

Hann Reserve, the second brand in our portfolio including Hann Casino Resort, is expected to be a luxury integrated resort development in New Clark City. It is strategically located at approximately a 15-minute drive from the Clark International Airport and a convenient two-hour drive from Manila. Once completed, Hann Reserve will be the largest integrated resort and mixed-used development in New Clark City according to The Innovation Group.

Guided by the principles of sustainability and cultural sensitivity, the architecture of Hann Reserve will draw inspiration from the vibrant heritage of the Philippines, particularly the provinces of Tarlac and Pampanga. We intend to develop Hann Reserve with a keen awareness of preserving and enhancing the environment through creative design, architecture and green building practices. We are dedicated to maintaining the cultural integrity of the land and its people by exerting a conscientious effort to preserve indigenous flora and fauna. Hann Reserve aims to blend eco-friendly and sustainable materials that harmonize with the surrounding landscape.

Our aim is for Hann Reserve, with its luxury resorts, premiere golf course and other leisure facilities, to draw domestic and international travelers to boost tourism in the Philippines with a particular focus on Central Luzon.

We estimate that the total capital expenditure required for development of Hann Reserve, including all facilities, to be approximately ₱17.7 billion as of March 31, 2025.

GCE Expansion

We have started the GCE Expansion, which comprises the expansion of our gaming floors and F&B area, as well as the construction of our multi-level parking structure. We expect the first level of the GCE Expansion to be operational by October 2025 and to be fully operational by March 2026. See “—*Business Strategies—Strengthen our market position in Clark through the expansion of offerings in Hann Casino Resort.*”

The 26,160.4 sq. m. gaming floor extension will have two floor levels and will include additional mass and VIP gaming areas which would be able to fit 34 gaming tables on the first floor and 28 gaming tables on the second floor. The gaming floor extension will also have the capacity to fit 420 slot machines and 26 ETGs on the first and 138 slot machines on the second floor. The expansion will include additional casual and fine dining restaurants and a greenhouse café and bar, which are intended to complement our gaming facilities, providing patrons with an even more diverse range of dining options at Hann Casino Resort.

In addition, to accommodate customers traveling to Hann Casino Resort from within the region, we began the construction of our 15,195.1 sq. m. multi-level parking structure with a total of 334 parking slots. This parking structure is designed to support the anticipated increase in visitor traffic resulting from our expanded gaming and F&B outlets.

We believe that the expansion of our gaming floors with additional gaming tables and slot machines, new F&B offerings, and the multi-level parking structure will continue to drive customer visits to Hann Casino Resorts.

We estimate that the total capital and operating expenditures required for the construction of the GCE Expansion to be approximately ₱8.9 billion as of March 31, 2025.

BRC Expansion

We are also in active discussions for the BRC Expansion, which comprise the construction and development of another gaming and hospitality facility including branded residences. We intend to develop an additional gaming facility with an aggregate gaming area of 7,537 sq. m., increasing our gaming capacity with 80 table games and 1,254 slot machines. The BRC Expansion will include two branded residential towers with approximately 1,363 units; 3,247 sq. m. of function rooms; and various new F&B options. We expect that the expansion will be fully operational by the end of 2028. “—*Business Strategies—Strengthen our market position in Clark through the expansion of offerings in Hann Casino Resort.*”

We estimate the total capital and operating expenditures required for the construction of the BRC Expansion to be approximately ₱30.0 billion as of March 31, 2025.

MARKETING AND SALES

We have developed a sales and marketing program with clear separation of sales, marketing and product development responsibilities for improved accountability. As of March 31, 2025, we had sales and business development teams under our Casino Marketing division with a total of 152 employees, Corporate Marketing division with a total of nine employees, and our Hotel Marketing division with a total of 33 employees.

Our Casino Marketing division is responsible for product bundling/packaging, database mining and marketing campaigns, as well as promotions, events, product pricing and market research and surveys. The sales team is responsible for sales revenues and channel performance, as well as customer relationship management and customer acquisition. The business development teams are responsible for direct-relationship marketing and other promotional efforts tailored to the VIP segment. Our Hotel Marketing division is responsible for optimizing digital platforms and third-party agency use through marketing campaigns, ensuring accurate and visually appealing business profiles, maximizing occupancy and profitability by positioning Hann Casino Resort as a premier event venue, and expanding reach through national media coverage and influencer partnerships. Our Corporate Marketing division is responsible for advertising for our casino and hotels.

We capitalize on the synergies of our marketing and sales of our Corporate Marketing, Casino Marketing and Hotel Marketing divisions to enhance our market positioning in Clark, introduce and promote Hann Casino Resort to our existing and target markets.

Marketing

We tailor marketing plans for each of the Mass Market segment and the VIP segment, including international players from Asia and other regions. For all marketing efforts, we use a comprehensive membership management and customer database system. In addition, we advertise through various media outlets, including radio, news and magazine articles, as well as out-of-home advertising, such as on billboards and lamp posts in strategic locations in Manila and Pampanga to promote general market awareness of Hann Casino Resort as the first integrated entertainment, leisure and hospitality resort destination in Clark.

Targeted promotions

We utilize targeted marketing strategies to reach potential customer segments. We aim to provide convenient and continuous promotions, tournaments and entertainment events to attract and drive new customer traffic to Hann Casino Resort.

To increase turnover for existing gaming patrons, we offer promotions and have established a rewards program, Hann Rewards Club, to encourage repeat visits to Hann Casino Resort. We have a front-of-the-house team which operate on the casino floors and is responsible for recruiting new members into the Hann Rewards Club and serve as touch points to the Mass Market customers and provide information on events, promotions and activities of the Hann Casino Resort. Our back-of-the-house team is responsible for maintaining our database, providing support services, and coordinating with the security and surveillance team in maintaining security throughout the Hann Casino Resort.

We also host different types of entertainment events and exclusive functions designed to attract Mass Market customers and VIP patrons to our properties, including parties at peak period times or during special occasions, weekly draws for prizes, gift and product redemptions through reward points accumulated by our customers, table and slot tournaments, private dinners, and exclusive concerts for VIP patrons. We target various market segments with customer-specific events designed to cater to the customers' needs and expectations, with the objective of cultivating repeat customer visitation and developing long-term customer relationships. We have dedicated call centers comprised of a multi-lingual teams to assist our local and international customers to facilitate their travel and booking, issue invitations to events and promotions and provide information through direct mail, text messaging and e-mail campaigns, as well as personal phone calls and personal visits to select customers. Through these and other promotional events, we strive to boost property visitation, loyalty card membership and gaming volume.

Advertising

We utilize local, regional and international media to market our properties to a wide demographic across several market segments. Such publicity includes press releases or conferences relating to our projects and operations. We have a dedicated public relations team that develops and maintains our media relationships. Members of the media and public relations team specialize in communicating with the media on matters that are of public interest and work to ensure that accurate and timely messages are communicated to the public on matters which are important for our brand image.

We also advertise in various media outlets to promote public awareness of our leisure and resorts developments. We have an internal advertising team responsible for promoting our properties and marketing preferred products and services to potential customers in the region. Advertising includes radio, news and magazine articles and handouts that promote general market awareness of our properties and brands as well as out-of-home advertising, such as on billboards and lamp posts in strategic locations in Manila and Pampanga. In addition, we have created a strong digital presence with the Hann Casino Resort website which features promotion information and self-service options.

Loyalty program and membership

Our loyalty and membership program, Hann Rewards Club, is a free membership program which allows members to accumulate points eligible for redemption of benefits and privileges, including for free play, hotel, dining, transportation and shopping.

Hann Rewards Club is comprised of six membership tiers, namely: Elite, Noble, Regal, Royal, Majestic and Imperial. Hann Rewards Club takes a segmented approach to rewards and promotes consolidation of gaming funds. Each membership tier level is determined based on the total tier points accumulated by a member over the calendar year, and each member would be able to earn Hann Points at different rates based on their tier level. In addition, different tiers of membership privileges are offered to patrons based on gaming activity or by exclusive invitation.

Sales

Our sales team includes direct sales efforts by sales staff at Hann Casino Resort, as well as indirect sales efforts through affiliated gaming promoters, travel and tour operators.

Direct sales

The direct sales process for Hann Casino Resort is comprised of three levels to provide clients with full service from the reservation stage to check-out and beyond: (i) traditional sales, (ii) a business development team, and (iii) VIP services.

The business development team leverages on its existing customer database and identifies new customers. Our VIP services ensures full customer satisfaction during their visit at Hann Casino Resort. Hann Casino Resort also utilizes call-center facilities for out-bound telemarketing.

Our business development team is divided into two sub-teams, focused on each of the Philippine and international VIP markets. Our international business development team is comprised of multilingual and multicultural members who travel to several destinations to introduce Hann Casino Resort to potential VIP patrons and facilitate inbound visits of other VIP players. Our domestic business development team conducts visits to player contacts, comprising the affluent members of the Philippine community and Asian expatriates within the Philippines, and encourage new and return visits to Hann Casino Resort. Our experienced business development team is the driving force for Hann Casino Resort's penetration of the Philippine and International VIP markets, with several years of experience and knowledge of the gaming industry and with an emphasis on interpersonal and relationship management skill sets.

Our VIP services team is responsible for ensuring that our VIP patrons have a satisfactory and enjoyable experience at Hann Casino Resort. Our VIP services team helps to strengthen and build relationships and loyalty among our patrons by coordinating with our onsite casino team to identify new players and ensuring that all customers are serviced while at play.

Indirect sales through gaming promoters

To promote our VIP rooms, we engage gaming promoters, also known as junket operators, with specialized knowledge of the regional gaming market and operations, experience in the logistics of sourcing and attracting VIP patrons and extensive customer relations networks. Gaming promoters are independent third parties that include both individuals and corporate entities. As of March 31, 2025, we engaged two gaming promoters. To increase and diversify our sales through gaming promoters, we intend to offer more international junket rooms to host players from different parts of the Southeast Asian region, and casual junkets to welcome smaller groups of players from various destinations.

We have procedures to screen prospective gaming promoters prior to their engagement and conduct periodic checks that are designed to ensure that the gaming promoters with whom we associate meet suitability standards. Where licensing requirements apply, we only engage gaming promoters who have been licensed by the relevant authority.

Our gaming promoters are compensated through commission arrangements that are calculated on a monthly or a per trip basis. We offer commission payment structures that are calculated by reference to the monthly rolling chip volume. Our gaming promoters may also receive complimentary allowances for food and beverage, hotel accommodation and transportation.

We conduct, and expect to continue to conduct, our table gaming activities at our casinos on cash basis as well as credit basis. See “*Risk Factors — Risks Relating to Our Business and Operations — We may be exposed to credit risk on credit extended to gaming promoters and certain patrons.*”

Indirect sales through agents and VIP groups

We established an independent agent program which we launched in May 2024 which is geared towards promoting Hann Casino Resort to VIP players and to high-net worth foreign players. These independent agents arrange overseas trips for new groups of casual rolling and / or direct premium players to visit Hann Casino Resort. The independent agents receive commissions based on a percentage of junket or premium player net turnover, and provide services for a term of one year, which may be renewed.

We also provide our services to groups of friends, likewise players, who come to Hann Casino Resort with our VIP patrons for short stays. We offer specific programs and provide private gaming areas for these groups for them to have a specialized and enjoyable experience playing at Hann Casino Resort.

Indirect sales through travel and tour operators

We also implemented a program in coordination with certain foreign travel and tour operators for various foreign tourists to visit Hann Casino Resort. Under these arrangements, the travel and tour operators organize group travel packages with corresponding discount rates on airfare, accommodation and other costs.

Bus and shuttle program

We provide free airport shuttle service to Hann Casino Resort from the Clark International Airport. In addition, we partner with premium lounge operators and commercial space owners in Clark International Airport, which our gaming patrons may access through the redemption of Hann points.

GAMING OPERATIONS

Security, Safety and Surveillance

The security of our gaming operations and the safety of our customers and employees are of the utmost importance. We employ a security team whose primary responsibilities are to ensure the safety of the casino and gaming areas, including the employees, visitors, gaming floors and the cage and treasury facilities. In addition, our security team is in charge of guarding and protecting our premises and properties against theft, vandalism and other criminal and unlawful activities as well as transporting cash and chips within the casino and gaming areas. All members of our security team are carefully screened and selected, and trained in enforcement, crisis management, communications and client service.

Our casino and gaming areas are divided into different security patrol sections. Each patrol section consists of a specified area of the gaming floor and generally includes several gaming tables, cash counters and slot machines. We generally assign at least one security officer to each cash counter and private casino VIP room, and typically position several security officers in key areas of the gaming floor, such as at the entrances and exits of the casino and gaming areas as well as near the casino cages.

We use a sophisticated electronic surveillance system consisting of moving closed circuit television cameras to monitor and record all activities in the casino and gaming areas. Our surveillance system is designed to assist our security team in maintaining the highest levels of client and employee security in the casino and gaming areas.

We have also taken steps to ensure its customers’ safety in the event of natural disasters such as floods, typhoons, earthquakes, power outages and other events, including a fire safety unit and crisis management teams.

We are committed to the safety and security of its patrons through its programs which promote responsible gaming. Our employees are trained to recognize and react when a patron is believed to have a gambling problem, and to provide assistance such as information pamphlets. Patrons may also place their name on a self-exclusion list, prohibiting us from allowing them to enter our casino and authorizing us to require them to leave the resort should they return.

Gaming Floor Operations

Our gaming floor is organized into multiple gaming pits, each consisting of a configuration of several gaming tables. Inside each gaming pit are playing cards, dice, table inventories of gaming chips and computer terminals used by gaming supervisors. As of March 31, 2025, we had approximately 989 employees working in our gaming division. See “— *Employees*”. Of those, approximately 503 were dealers, approximately 319 were gaming operations managers (including supervisors, pit managers and shift managers) and the remaining employees were technicians and other administrative staff.

Our dealers are responsible for conducting and facilitating various table games (such as baccarat, blackjack and roulette, among others), handling chip exchanges occurring at their tables and assisting in chip counts. While most gaming tables have one dealer during operating hours, some table games, such as craps and roulette, require more than one dealer to run. All of our casino staff are trained to identify high value transactions and suspicious transactions occurring at their gaming table and are required to report any such transaction to their supervisors for immediate and appropriate action.

Gaming operations managers are primarily responsible for the supervision of our gaming operations. In particular, they monitor the performance of the casino’s gaming supervisors to ensure that all gaming floor operations are conducted properly and in accordance with both our internal rules and regulations as well as with applicable laws and regulations imposed by the government. Our gaming supervisors and operations managers also monitor, through either our electronic surveillance system or direct on-site supervision, the gaming activities of patrons with a view to ensuring that no illegal or fraudulent activities are conducted in the gaming areas.

Our gaming operations managers conduct chip counts and certify the amount and value of all chips contained in each gaming table’s chip tray on a regular basis. This process, which is recorded by our video surveillance system, is completed in the presence of dealers and supervisors.

The chips contained in a gaming table’s chip tray represent the initial daily capital for each gaming table. Upon the closing of a gaming table, the supervisor in charge of the gaming table counts and certifies the amount and value of all chips in that gaming table’s chip tray. The drop boxes are collected for centralized handling, and the total gross table games win is tabulated and certified by PAGCOR.

Our employees in the gaming division are trained to (i) facially recognize our patrons, (ii) identify unwanted patrons through a full review of our membership databases, (iii) implement internal controls and policies, and (iv) strictly adhere to Anti-Money Laundering regulations. For more information, see “—*Quality Assurance, Internal Controls and Government Oversight*.”

Cage, Audit and Treasury

Key responsibilities carried out by our cage, audit and treasury operations teams include:

- verifying and reconciling results;
- computing, verifying and recording wins of each gaming table;
- collecting cash from slot machines, electronic gaming machines and table games and preparing cash collection reports under the supervision of PAGCOR;
- managing and monitoring bank accounts; and
- auditing and ensuring compliance with internal anti-money laundering policies and other relevant laws associated with high value transactions and suspicious transactions.

Credit Facilities

We have a credit and casino policy in place that outlines the procedures and guidelines for extending credit facilities to preferred and eligible players and gaming promoters, which we assess the creditworthiness of through dedicated systems. Applications by eligible players and gaming promoters are evaluated by our credit and collection team, and approved by our credit committee. To secure these credit facilities, we require these eligible players and gaming promoters to issue checks payable to HPI or promissory notes. Our credit facilities are solely intended for gaming purposes and shall be released in gaming chips or slot tickets only.

Gaming promoters are permitted to extend credit to their clients to use while playing in our casino. We are not involved in these credit arrangements between the gaming promoters and their clients, and do not assume credit risk with respect to such extensions of credit largely as a result of the Philippines' lack of reliable credit databases on the basis of which to perform accurate credit check or asset verifications. We have chosen to manage this credit risk by not extending credit and instead relying upon our gaming promoters to negotiate credit arrangements with their clients. The use of gaming promoters in this way also reduces our exposure to credit risk associated with patrons who reside in jurisdictions where gaming related debts are not legally enforceable or where the enforcement of such debts is burdensome.

We do not extend credit nor offer check cashing facilities to our gaming promoters' customers.

QUALITY ASSURANCE, INTERNAL CONTROLS AND GOVERNMENT OVERSIGHT

We employ internal controls, in-house training and procedures designed with a view to ensure that gaming and other operations at the casino are conducted in a professional manner and in compliance with Philippine's gaming regulations and provision against money laundering and other applicable laws. Furthermore, the casino is subject to on-site government oversight by PAGCOR. See "*Regulatory and Environmental Matters*" for more information.

Training

We have an in-house gaming training and development unit which is charged with insuring adequate training for employees. Training includes induction programs designed to introduce new and experienced gaming personnel to our gaming operations, as well as continuous development and career development programs. With respect to gaming operations, training modules are designed to improve the technical proficiency of gaming personnel in operating and overseeing the various games on the casino floor, as well as to ensure employees are conducting themselves in a professional manner in compliance with all applicable laws and in line with our internal controls. We provide training programs aimed to teach new games and enhance gaming skills, continually assess and upscale interpersonal and relationship management skills, and prepare for promotions.

Internal Controls on Gaming Operations

We believe that we have a comprehensive set of security features for our chips, playing cards, and tracking systems to ensure maximum casino security. However, our gaming operations remain subject to risk of loss resulting from employee or client dishonesty or fraud by our gaming promoters. Minimizing these risks requires the development of procedures that can control the authorization, accountability and safekeeping of gaming chips, cash and gaming equipment. Accordingly, we take numerous preventative and mitigating measures for the handling of chips, cash and gaming equipment to prevent, detect and deter the use of counterfeit chips, playing cards and currency as well as other fraudulent activities within the casino and gaming areas. These measures include:

- Video surveillance;
- Employee training;
- Regular rotation of dealer, gaming supervisors and cash counter clerks;
- Computer supported security systems; and
- Reconciliation and balancing of cash and chips.

Access to all sensitive areas such as count rooms, cage, electronic storage rooms, cashiers and accounting offices is safeguarded with the use of physical access controls, including staff identification cards, passwords, keys, double-layered doors and security guards. As a further security precaution, we also have implemented an internal policy prohibiting its employees from partaking, indulging or involving themselves in whatever capacity in any gaming activities in any gaming facilities in the Philippines while under our employment, a requirement more stringent the PAGCOR's regulatory requirement that employees may not gamble on the premises. We believe that our internal controls and policies exceed Philippine regulation requirements and are based on the best practices of similar multi-national gaming companies.

Internal Control Measures Relating to Chips and Cards

All gaming activities at the casino's table games are conducted exclusively through the use of gaming chips. All players are required to purchase gaming chips prior to gaming and the total amount of chips purchased is monitored and recorded by our internal accounting security and surveillance procedures.

We use plastic-compound, high-quality, injection-molded chips with a comprehensive set of authentication and anti-counterfeit features such as unique holograms to ensure the authenticity of our chips. The placement and the type of authentication markings in different series of chips are different. Each series of chips has different denominations and the appearance of each denomination is also different. These chips allow us to protect gaming integrity and monitor drop, and turnover. We have also implemented various measures to prevent the use of counterfeit chips, including:

- Inventory checks at the end of each shift to verify receipts and issues of chips from the inventory room; and
- Storage of chips not in use in secure locations.

We employ stringent internal control measures on the creation, issuance and redemption of chips, including the following measures:

- PAGCOR governs the issuance of new chips. Before issuing any new chips, we must submit to PAGCOR samples of the new chips to be used and other details, including the intended location(s) of the new chips to be used and the number of new chips to be issued in such location(s), for record-keeping purposes;
- Chips that are not yet in circulation are stored in secure locations; and
- Electronic security systems and surveillance cameras have been installed in all sensitive cash and chip handling areas.

We have established elaborate recording and control systems with respect to the chips in inventory and in circulation. We maintain inventory accounts for gaming chips and inform PAGCOR of our inventory of chips. We periodically inspect our chips and retire chips which are worn or damaged. We also inform PAGCOR before destroying issued chips or taking chips permanently out of circulation.

We use special technologies to prevent and detect potential fraudulent and counterfeiting activities in its casino and gaming areas. These methods include the use of electronic equipment, infrared readers, money note scanners and a 24-hour closed circuit television surveillance system. All gaming equipment inventory is also under 24-hour closed circuit television surveillance. We have installed scanning technology on its currency sorters in the soft count room and main cage that facilitates detection of counterfeit currency notes.

Anti-Money Laundering

We are committed to comply with all applicable Anti-Money Laundering (“**AML**”) laws and regulations and to deterring customers and outside parties from using the Company as a conduit for illegal activity.

As a result of this commitment, we have implemented an AML program (“**AML Program**”) with the following objectives: protect us from being used by money launderers, terrorists and those financing terrorist activities; protect our reputation; comply with all applicable legal and regulatory requirements; and identify and adopt strong, risk-based industry practices in relation to AML. While we already have in place a number of internal controls to address a range of potential risks across different facets of its operations, this AML Program formalizes and centralizes our anti-money laundering practices.

Consistent with our AML Program, we approved and adopted an AML policy (the “**AML Policy**”), applicable to all business units and the Group. All employees, wherever located, are responsible for following the AML Policy and their business unit's programs, procedures and practices that implement this AML Policy.

In addition, under the AML Program, we have implemented: (a) organizational enhancements, including the creation of a senior management committee to oversee the AML Program, the appointment of an AML subject-matter expert to direct and be responsible for the operation of the AML Program and advise management on AML-related risk, and the development of escalation processes for decisions on customers and transactions

displaying elevated AML risk characteristics; (b) an AML risk-rating system covering our products, services and customers to provide a common understanding of, and an ability to communicate, AML risk across the organization; (c) enhanced intelligence-gathering capabilities to support AML-related risk-based decisions, including the strengthening of customer and transaction monitoring data and reporting capabilities; and (d) a comprehensive, risk-based AML training program segmented appropriately for the level of AML knowledge required by different groups of our employees and Board.

We believe that our AML initiatives further enhance our internal corporate governance measures consistent with world-class integrated tourism resort companies, and may also provide a standard for other Philippine gaming and tourism development companies in the future. See *“Risk Factors—Risks Relating to our Business— We cannot assure you that anti-money laundering policies that we have implemented, and compliance with applicable anti-money laundering laws, will be effective to prevent our casino operations from being exploited for money laundering purposes.”* for further details.

Government Oversight

Our activities and operation are closely monitored by PAGCOR. PAGCOR maintains an office inside the casino where officials are stationed 24 hours daily. Our management team is in regular contact with PAGCOR regarding compliance with its gaming concession and all applicable Philippine gaming laws. Inspectors from PAGCOR are involved in inspecting and monitoring key processes, such as the issuance of chips, table fills and credits, drop box collections and the counting of cash and chips, on a daily basis. Weekly revenues from slot machines and daily revenues from table games are verified by PAGCOR. Our dealers, gaming supervisors, other senior gaming operations managers, cashiers and also security and surveillance personnel are subject to a rotation plan. Monthly and quarterly financial reports are prepared by our accounting department and reviewed by our management. We are also required to provide periodic reports to PAGCOR that include, but are not limited to:

- Quarterly reporting of trial balances;
- Quarterly reporting of cash count reports;
- Annual reporting of lists of bank balances;
- Annual reporting of lists of fixed assets; and
- Monthly reporting of gaming tax payment schedules.

As of March 31, 2025, we are compliant with all periodic reports required by PAGCOR.

CUSTOMERS

We are committed to delivering an engaging experience for all our visitors, encompassing both gaming enthusiasts and those seeking leisure and entertainment. Our customer base is diverse, comprising both gaming patrons and non-gaming patrons.

Gaming Patrons

Our gaming patrons include VIP patrons, Mass Market players and gaming promoters who assist in introducing VIP patrons to Hann Casino.

VIP

Our VIP patrons are those gaming patrons who play on a rolling chip program through junket operations or as individual High Rollers playing in cash or on a rolling chip program. VIP patrons typically play in our VIP areas, including the H-Circle or H-Club, where higher limit gaming options are available. VIP patrons who play through junket operations are sourced from gaming promoters in the Philippines, China or across other parts of Asia.

VIP patrons may be entitled to commissions (in the form of rebates on chip purchases) and incentives, including complimentary suite accommodations, retail and entertainment benefits. VIP members may be offered check cashing facilities by us, or they may obtain credit from other sources, such as from gaming promoters or through our affiliates.

Mass Market

Our Mass Market customers comprise the majority of gaming patrons at the casino. General Mass Market customers are those customers who are characterized by non-rolling chip and slot machine play with relatively lower minimum bets than premium Mass Market players. In certain instances, we may offer our most valued premium Mass Market customers access to more exclusive gaming areas and other benefits.

The table below provides our monthly average daily visitation and total visitation results (including both gaming and non-gaming patrons).

	Average daily visitation				Total visitation			
	2022	2023	2024	2025	2022	2023	2024	2025
January	2,237	5,454	5,021	4,918	69,335	169,061	155,659	152,466
February	2,900	5,062	5,060	4,871	81,205	141,749	146,729	136,392
March	3,680	4,664	4,866	4,545	114,088	144,581	150,860	140,894
April	4,383	4,641	4,602	3,650	131,488	139,227	138,048	109,495
May	4,611	5,085	4,800	-	142,946	157,630	148,810	-
June	4,710	5,157	5,211	-	141,296	154,700	156,333	-
July	4,817	5,069	4,748	-	149,333	157,147	147,185	-
August	4,538	4,564	4,852	-	140,690	141,494	150,402	-
September....	4,439	4,468	4,546	-	133,177	134,044	136,389	-
October	4,335	4,527	4,519	-	134,375	140,347	140,081	-
November	4,300	4,426	4,572	-	128,994	132,794	137,147	-
December	4,703	4,886	5,076	-	145,804	151,464	157,363	-

We consider our peak hours to be between 3:00 p.m. and 5:59 a.m. daily, while our off-peak hours are from 6:00 a.m. to 2:59 p.m. daily.

Non-Gaming Patrons

We offer a variety of experiences for non-gaming patrons, providing a range of entertainment and leisure amenities. Hann Casino Resort features two hotels, a selection of restaurants, bars with entertainment acts, and retail outlets. Non-gaming patrons have access to luxury accommodations, diverse dining options, and various retail experiences. Our entertainment offerings, including live performances and themed events, are designed to appeal to both leisure travelers and business guests. By catering to a wide audience, we aim to provide a well-rounded resort experience to encourage longer stays and repeat visits.

SUPPLIERS

We depend on our suppliers to provide products and services such as slot machines, golf maintenance and equipment, construction supply, engineering, gaming equipment and accessories. We also engage junket operators to introduce VIP players to our gaming area. For the three months ended March 31, 2025, our five largest suppliers accounted for approximately 61.1% of total product and service purchases.

EMPLOYEES

As of March 31, 2025, we had (i) 2,271 full-time employees, which include regular and fixed-term employees, (ii) 59 temporary employees, which pertains to the on-call dealers at our gaming areas. These employees are employed by us, and temporary / casual employees are hired on an -as needed basis. Most of our workforce have been recruited from the Philippines, but we also employ experienced casino or gaming staff recruited from outside of the Philippines. The following table sets out the number of temporary and full-time employees as of the date indicated:

	As of March 31, 2025
Full-Time Employees	
Management and Administrative	498
Gaming	928
Hotel	247
Retail and dining	218
Property Operation	186
Marketing	194

	As of March 31, 2025
Total Full-Time Employees.....	2,271
Temporary Employees	
Management and Administrative.....	N/A
Gaming.....	59
Hotel.....	N/A
Retail and dining.....	N/A
Property Operation.....	N/A
Marketing.....	N/A
Total Temporary Employees	59
Total Employees.....	2,330

As of the date of this Prospectus, there is no existing collective bargaining agreement between us and any of our employees. However, on March 13, 2025, National Federation of Labor Chapter 013-Hann Casino, Table Games Workers Union (the “**Table Games Workers Union**”) was registered with the DOLE. The Table Games Workers Union is currently seeking certification as the Single and Exclusive Bargaining Agent (“**SEBA**”) for the dealers and pit supervisors of the Table Games Department with the DOLE. Once certified as SEBA, the Table Games Workers Union may request and initiate negotiations of a collective bargaining agreement. See— *Legal Proceedings*” for further information.

We comply with minimum compensation and benefits standards as well as all other applicable labor and employment regulations. In accordance with Philippine retirement pay law under R.A. No. 7641, we also provide estimated minimum retirement benefits. We have internal control systems and risk management procedures in place, primarily overseen by its human resources and legal department, to monitor its continued compliance with labor, employment and other applicable regulations.

We have not established an employee stock option program.

COMPETITION

We believe that we face competition in the construction and operation of new hotels, casinos and resorts within Clark as its development have attracted many potential competitors, including domestic and international hospitality groups. Further, competition within the hospitality and gaming industry may increase in line with the long-term economic growth in the Philippines.

Our key domestic competitors for market share in Clark include Royce Hotel and Casino, D’Heights Resort and Casino, Fortune Gate, Fontana and Midori. With respect to international competitors, we compete for domestic and foreign customers with gaming operations in established foreign gaming destinations in the Asia Pacific region. In particular with respect to VIP patrons, we compete primarily with Macau, Singapore, Malaysia, South Korea, Vietnam and Australia for customers of gaming promoters.

We believe that we are able to compete effectively with other industry players because of our well-designed facilities and targeted gaming offerings, as well as the expertise it has developed over the past several years as the first operator of an integrated tourism resort and casino in Clark.

INTELLECTUAL PROPERTY

We own exclusive rights to our corporate name. While the marks of our master brand, “Hann Resorts” and sub-brands, “Hann Casino Resort” and “Hann Reserve” are registered under our parent, HGH, we have the right to use such marks for our business operations.

HGH entered into a Trademark Licensing Agreement as with HHI, HPI, HILI, and HFI on May 9, 2025 for the use of the trademarks in the Philippines for a renewable period of 25-years.

We entered into a License and Royalty Agreement with Marriott International Licensing Company B.V. (“**MILC**”), for the right to use the Marriott trademarks. We also entered into a franchise agreement the Accor Group to use the “Swissôtel” brand. We have also entered into a license agreement wherein PGA grants the Group to use PGA marks solely in connection with branding the golf facilities and programs associated with these golf facilities, provided that such license is limited to use solely within the territory.

A summary of the details of our material intellectual property that we own, including those which we have the right to use, is set out below:

Trademark and Type of Mark	Registration Number	Expiry Date
 HANN (Combined)	4/2019/016517	December 4, 2030
 HANN LUX and Design (Combined)	4/2019/016518	September 27, 2030
 “Hann Reserve” (Word)	4/2022/528305	August 5, 2023 ⁽¹⁾
 Kai Korean Cuisine (Combined)	4/2021/511074	September 17, 2031
 Kai Korean Cuisine (Combined)	4/2021/511075	October 10, 2031
 Markt (Combined)	4/2021/511080	August 13, 2031
 Markt (Combined)	4/2021/511076	October 10, 2031
 Nasi Filipino Cuisine (Combined)	4/2021/511077	November 12, 2031
 Nasi Filipino Cuisine (Combined)	4/2021/511078	November 12, 2031

Trademark and Type of Mark	Registration Number	Expiry Date
Nasi Filipino Cuisine (Combined) 	4/2021/512490	January 19, 2033
Ristorante Di Verona Authentic Italian Dining (Combined) 	4/2021/512491	January 19, 2033
Ristorante Di Verona Authentic Italian Dining (Combined) 	4/2021/512492	January 19, 2033
Ristorante Di Verona Authentic Italian Dining (Combined) 	4/2021/512493	February 17, 2032
Spice Street Eats (Combined) 	4/2021/512494	February 17, 2032
Spice Street Eats (Combined) 	4/2021/523960	March 7, 2032
TWENTY (Combined) 	4/2021/521452	December 23, 2031
OMA's Dessert Bar Grandma's Taste (Combined) 	4/2022/500543	June 16, 2032

Trademark and Type of Mark	Registration Number	Expiry Date
8 th Avenue Lifestyle Mall (Combined)		

Note:

(1) Pending application for renewal.

Apart from the foregoing, we believe that our business as a whole is not materially dependent on any trademark or on any other intellectual property.

INFORMATION TECHNOLOGY

We utilize industry standard software to track our business information. Our information technology team consists of departments ranging from security and compliance to infrastructure, with ready contingency measures for day-to-day operations. Our information technology systems are coordinated by our Information, Communication, and Technology Department, which focuses on supporting world-class experiences for all customers, tailoring experiences based on guest preferences, improving business processes, interfacing the use of information analytics in decision-making, improving enterprise workforce effectiveness, attracting and retaining new customers, reducing enterprise costs, consolidating business operations, creating new products, managing enterprise change initiatives, targeting marketing campaigns more efficiently and creating other new sources of competitive advantage.

INSURANCE

We carry insurance of the types and in amounts that are customary in the gaming industry and that it believes will reasonably protect its interests, including general liability, automobile liability, property damage and limited business interruption insurance policies for the hotels. We also require certain contractors who perform work at Hann Casino, as well as other vendors, to maintain certain insurance policies. In each case, these insurance policies are subject to various caps on liability, on both per claim and aggregate basis, as well as certain deductibles, exclusions, and other terms and conditions. During development and construction of the Hann Reserve, we will arrange for contractors' all risks and third-party liability insurances for us. We will also require the contractors to maintain certain insurance policies.

ENVIRONMENT, SAFETY AND HEALTH

We are subject to environmental laws and regulations in the jurisdictions in which we develop, own, manage and/or operate our hotels and casino. These laws and regulations generally require that government permits and approvals are obtained both before construction and during operation of our hotels and casino. While we incur costs in the ordinary course of business to comply with these laws, regulations and permit requirements, we do not expect that the costs of compliance will have a material impact on our business, financial condition or results of operations. These laws and regulations frequently change and often become more stringent, or subject to more stringent interpretation or enforcement, and therefore future changes could require us to incur materially higher costs.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Hann Foundation, Inc. ("HFI") (formerly known as Widus Foundation Inc.) was established as a non-stock and non-profit organization in 2017 as the social responsibility and social welfare development arm of our Group located in Clark as part of our commitment to provide sustainable, inclusive, and impactful social responsibility initiatives.

In addition, and as a condition to our Gaming License, we are required to set aside a percentage of our gaming revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage. In 2018, HFI was registered with the Philippine Department of Social Welfare and Development and was issued a license to operate and implement social welfare development programs. Through HFI, we provide contributions to our community, particularly in Central Luzon, through projects aligned with our three pillars of care – Education, Health, and Cultural Heritage & Environment. As of March 31, 2025, we have

implemented 21 projects aligned with our four pillars of care and drawing more than 400 volunteers and approximately 1,800 of community work.

Education

We recognize the importance of education in helping to empower the underprivileged to reach their full potential and have a positive impact in their communities. HFI has been a constant stakeholder in underserved communities in Pampanga and Tarlac by providing school supplies, access to libraries and skills training to ensure that students are able to access quality education regardless of their socioeconomic background. In recognition of our contributions to the education sector, we received the “*Stakeholder Award for Education*” from the Philippine Department of Education in December 2023.

HFI has established several projects since its inception including its collaboration with the Provincial Government of Tarlac through its Tarlac Center for Learning and Skills Success (“**TCLASS**”) in 2020. HFI established its first construction skills laboratory facility aimed to (i) equip individuals with high-quality training, and (ii) nurture the development of skilled masons, masonry trainers, foremen and entrepreneurs. The TCLASS skills laboratory was inaugurated in 2023.

HFI has also provided school supplies to 3,550 students across various public schools in Tarlac alongside workshops, seminars and mentorship programs aimed to emphasize the significance of education and nurturing effective study habits among students. In partnership with the Philippine Department of Education, we donated 3,000 pieces of water tumblers to promote access to clean drinking water and to encourage hydration to support the physical and cognitive health of children.

In 2024, HFI launched the Alternative Learning System (“**ALS**”) Building in Bamban, Tarlac, designed to serve learners of all ages from the informal economy and stay-at-home household members. This ALS initiative underscores our commitment to providing accessible education opportunities for everyone, reinforcing the principle that learning is a lifelong endeavor. In conjunction with the ALS, we are developing an Inclusive Learning Resource Center aimed at enhancing technical and entrepreneurial skills alongside traditional classroom instruction for adult learners.

As of March 31, 2025, we have invested approximately ₱13.2 million for the implementation of our education-focused activities, and has benefited approximately 13,100 students in Pampanga and Tarlac.

Health

We believe that health is a primary concern in underserved and marginalized communities and that quality healthcare should be accessed by all. HFI has spearheaded health-centered initiatives by providing (i) disaster relief assistance to those affected by super typhoons and the COVID-19 pandemic; (ii) ambulances in Capas, Tarlac to service patients in emergency situations; (iii) assistive devices such as wheelchairs to those in need; (iv) access to diagnosis, treatment and preventative care through infrastructure improvements on Rural Health Units in Bamban, Tarlac; (v) health education programs on proper hygiene, disease prevention, and lifestyle improvement; (vi) modernization of health facilities and equipment by providing computerization and management information systems of partner local hospitals and clinics.

As of March 31, 2025, we have invested approximately ₱49.0 million for the implementation of our health-related activities, and has benefited approximately 25 rural communities in Pampanga and Tarlac.

Cultural Heritage & Environment

We recognize the importance of having a collective, holistic and sustainable approach in addressing the root causes of deforestation and climate change. Since 2016, we have conducted annual tree-planting activities through the “*Communitree Project*” together with other organizations or groups in Angeles City, Mabalacat City, and Porac in Pampanga, as well as in Bamban and Capas in Tarlac. As of March 31, 2025, we have committed to contribute

₱3.0 million to fund and expand the Communitree Project. Together with the indigenous Aeta communities of Tarlac, HFI will organize regular tree-planting activities by planting bamboo, fruit-bearing, and endemic trees.

Our commitment to promoting, preserving, and restoring *Capampangan* cultural heritage is aimed at benefiting future generations. HFI has played a pivotal role in safeguarding the local culture of Pampanga through initiatives in art, literature, and the conservation of historical sites. Key cultural projects include:

- Rehabilitation and refurbishment of “*Santungan ning Kalalangan*”, a cultural and artist hub;
- Renovation of the *Capampangan* Cultural Heritage Center;
- Establishment of a Culinarium for *Capampangan* Cuisine; and
- Donations for the restoration activities for historic parish churches.

In recognition, the local government of Angeles City passed a resolution formally recognizing HFI’s efforts, initiatives, and dedication in preserving and promoting our *Capampangan* heritage.

Additionally, HFI is actively involved in establishing various Aeta community centers focused on enhancing their ethnic traditions in farming, craftsmanship, and performing arts. As of March 31, 2025, HFI has invested at least ₱19.6 million in cultural heritage and development projects, impacting over 600 families across Pampanga and Tarlac. We believe in promoting, preserving, and restoring the *Capampangan* cultural heritage for the benefit of future generations.

DESCRIPTION OF PROPERTY

The properties where Hann Casino Resort are located are in Central Luzon, particularly in the Clark Freeport Zone and New Clark City, which are both located in the Clark Special Economic Zone. The Clark Freeport Zone was a former United States airbase which has been redeveloped into an emerging modern industrial estate for business and leisure. Meanwhile, New Clark City is designed to be the Philippines’ first smart, green and disaster resilient metropolis. Both the Clark Freeport Zone and the New Clark City are managed by the Clark Development Corporation. See “— *Competitive Strengths* — *We are strategically located in one of the emerging cities in the Philippines*” and “*Industry Overview*”.

We lease parcels of land related primarily to our casino, hotels and expansions that are under construction in the Philippines. We own buildings and gaming equipment. See “*Description of Property*” on page 144 of this Prospectus.

LEGAL PROCEEDINGS

HFI is not involved in any material claims or lawsuits, whether as plaintiff or defendant, pending before any of the courts or government agencies.

Widus International Leisure, Inc., Hann Philippines, Inc., et al. vs. BIR (CTA Case No. 10841)

WILI and HPI are co-petitioners with a non-related gaming locator in Clark Freeport in a Petition for Certiorari and Prohibition with Payer and Application for Temporary Restraining Order and/or Writ of Preliminary Injunction against the Bureau of Internal Revenue in respect of the BIR’s implementation of RMC No. 32-2022 insofar as the said RMC violates the rights of the Corporation and its co-petitioners by illegally disregarding the tax benefits of the Corporation under the BCDA Act of 1992 (Section 15) and other pertinent laws.

In a decision dated October 27, 2023, the CTA set aside the “fifth of the first paragraph of Item IV of RMC No. 32-2022” for being null and void, thus, partially granting the petition of WILI and HPI. Notwithstanding the apparent partial granting of the prayers in the petition, the CTA decision essentially grants the main relief sought by the petitioners, which is the nullification of the 5% franchise tax which the BIR seeks to impose upon petitioners and those similarly situated.

The BIR filed a motion for reconsideration with the CTA, while Hann Group also filed its own motion for reconsideration concerning the partial grant of its petition. The CTA denied the BIR motion for reconsideration but granted the relief sought by Hann Group, thereby fully granting its petition and placing it on equal footing

with WILI and HPI's, its co-petitioners. The BIR appealed the CTA's decision. On July 30, 2024, the CTA denied the second motion for reconsideration for lack of merit.

Joel Romeo Bao-Ilan vs. Hann Philippines, Inc. et.al. (C.A. G.R. No. 189129)

HPI is one of the Defendants in a Petition for Certiorari filed by Mr. Bao-Ilan currently pending before the Court of Appeals.

Mr. Bao Ilan is currently employed by HPI as a casino dealer. Mr. Bao-Ilan has filed multiple complaints in various government agencies demanding the following: (1) payment for compensable disease; (2) re-computation of tax refund/adjustment for non-taxable income i.e., TIPS; and (3) payment for underpayment of tips.

Mr. Bao—Ilan filed a Request for Assistance before the NLRC Regional Arbitration Branch III ("NLRC-RAB III"). On January 24, 2024, HPI received a Notice of Conciliation-Mediation Conference set on January 29 and February 5, 2024. The conciliation-mediation conference was held on the said dates, but no resolution was reached.

Mr. Bao-Ilan also filed complaints against HPI before the Clark Development Corporation Health and Sanitation Division Inspection and before the Department of Labor and Employment due to which HPI was subjected to inspection by the said agencies. Both agencies however issued to HPI certificates of compliance with Occupational Safety and Health standards upon the conclusion of their inspections.

On January 31, 2024, HPI received a Notice of Conference this time coming from the DOLE Pampanga Provincial Field Office, setting a conciliation conference on February 15, 2024. The conciliation conference was conducted on the said date, but no resolution was reached.

On February 16, 2024, HPI received a Summons from the NLRC-RAB III. A mandatory conciliation/mediation conference was conducted on March 19, 2024, but no resolution was reached. The parties filed their respective Position Papers, Replies and Rejoinders. On June 28, 2024, a Decision was issued dismissing Mr. Bao-Ilan's Complaint for lack of merit and for lack of factual and legal basis.

Mr. Bao-Ilan filed a Memorandum of Appeal dated April 29, 2024. HPI filed its Reply on August 12, 2024. In its Decision dated December 20, 2024, the NLRC Fifth Division denied Mr. Bao-Ilan's appeal. Mr. Bao-Ilan filed a Motion for Reconsideration dated January 14, 2025, which was also denied by the NLRC Fifth Division in its Resolution dated February 4, 2025.

On April 10, 2025, HPI received via electronic mail a copy of Mr. Bao -Han's Petition for Certiorari filed before the Court of Appeals. HPI is currently waiting for any directive from the Court of Appeals. HHI is also not involved in any investigation which has been or is being conducted by any government agency. The Corporation's income tax returns are also not subject to any examination.

National Federation of Labor Chapter 013- Hann Casino Table Games Workers Union ("NFLC-HCTGW Union") seeking confirmation to be declared as the Sole and Exclusive Bargaining Agent of rank-and-file table games employees of Hann Philippines, Inc.

In March 2025, HPI was served with a Notice of Conference by the National Conciliation and Mediation Board Region 3 ("NCMB-Region 3") in respect of the confirmation sought by NFLC-HCTGW Union to become the Sole and Exclusive Bargaining Agent of rank-and-file table games employees of the Corporation. The matter does not involve any monetary claim. The proceeding is still ongoing before the NCMB-Region 3.

In Re: Labor Dispute at Hann Philippines, Inc. – Hann Casino Resort (LCC Case No. 05-001-25)(OS-AJ-2025-0521-0005)(RCMB-III-PAM-NS-04-0001-2025)

In March 2025, HPI was served a Notice of Conference by the NCMB-Region 3 in respect of a labor dispute for alleged union busting and constructive dismissal supposedly committed against NFLC-HCTGW Union's purported president, Mr. Joel Bao-Ilan

On May 27, 2025, HPI received a Notice of Conference / Clarificatory Hearing set on May 30, 2025, for mandatory arbitration of the illegal dismissal case of Mr. Bao-Ilan and union-busting complaint.

The matter does not involve any monetary claim. The proceeding is still ongoing and is pending before the NCMB-Region 3.

Demand Letter – Widus Expansion Project

HPI received a demand letter from Esme Solutions Inc. (formerly known as “Delta Dore Inc.”) dated April 7, 2025. Esme Solutions Inc is a contractor of HPI. The contractor is demanding the alleged “outstanding obligation” of HPI under Progress Billing #33 (“**PB#33**”) amounting to ₱10,725,871.48.

HPI sent a letter reply on April 16, 2025, assailing the items of the Progress Billing. HPI, through counsel, asserted that (1) the retention rate under PB#33 was not yet due since no Performance Certificate has been issued due to the contractor’s refusal to complete the remaining items of work, (2) Extension of Time 2 and Extension of Time 3 under PB#33 was never approved by HPI and (3) based on the verification and measurement made by the HPI on the level of accomplishment delivered by the Contractor for the other items indicated in PB#33, the value of the work delivered as of date amounts to ₱173,586.86. HPI manifested that subject to further deductions for the Contractor's continued delay, the stated amount shall be paid by HPI once the contractor has signified its good-faith assurance that it will deliver the remaining items of the work.

These legal actions, however, arise in the ordinary course of business. We believe that the pending legal proceedings will not materially affect the daily operations of our business nor will they have a material adverse effect on our consolidated financial position and results of operations.

DESCRIPTION OF PROPERTY

LAND, BUILDINGS AND LEASEHOLD IMPROVEMENTS

HHI

No.	TCT/OC T/Tax Dec. No.	Description	Approximate Area (sq. m.)	Location	Use	Encumbrances or Other Remarks
1	NA	Office Space	28.96 sq.m	Building 5399 M.A. Roxas Highway Clark Freeport Zone, Philippines	Lease	The property is a sub-lease between Hann Philippines, Inc. and Widus International Leisure, Inc. The underlying lease agreement was executed between Widus International Leisure, Inc. and the CDC.

Subsidiary

Below is a summary of the properties owned or leased by our subsidiaries.

Hann Philippines, Inc.

No.	TCT/OCT /Tax Dec. No.	Description	Approximate Area (sq. m.)	Location	Use	Encumbrances or Other Remarks
1	NA	Land	4.56 million sq.m	New Clark City, Municipality of Capas, Province of Tarlac.	Lease	The property is subject of a lease of Hann Philippines, Inc. with the BCDA.
2	NA	Land	9,952.81 sq.m.	Lot 2-B, Lot 2C and Lot 2E1, M.A. Roxas Highway, Clark Freeport Zone, Pampanga	Lease	The property is a sub-lease between Hann Philippines, Inc and Widus International Leisure, Inc. (formerly known as Hann International Leisure, Inc.). The underlying lease agreement was executed between Widus

No.	TCT/OCT /Tax Dec. No.	Description	Approximate Area (sq. m.)	Location	Use	Encumbrances or Other Remarks
						International Leisure, Inc. and CDC.
3	NA	Land	4,095.76 sq.m	Lot 2-B, Lot 2C and Lot 2E1, M.A. Roxas Highway, Clark Freeport Zone, Pampanga	Lease	The property is a sub-lease between Hann Philippines, Inc and Widus International Leisure, Inc. (formerly known as Hann International Leisure, Inc.). The underlying lease agreement was executed between Widus International Leisure, Inc. and CDC.
4	NA	Land	22,072.38 sq.m.	Lot 2-B, Lot 2C and Lot 2E1, M.A. Roxas Highway, Clark Freeport Zone, Pampanga	Lease	The property is a sub-lease between Hann Philippines, Inc. and Widus International Leisure, Inc. . The underlying lease agreement was executed between Widus International Leisure, Inc. and CDC.
5	NA	Office Space	19.72 sq.m.	Building 5399 M.A. Roxas Highway Clark Freeport Zone, Philippines	Lease	The property is a sub-lease between Hann Philippines, Inc and Widus International Leisure, Inc. (formerly known as Hann International Leisure, Inc.).

No.	TCT/OCT /Tax Dec. No.	Description	Approximate Area (sq. m.)	Location	Use	Encumbrances or Other Remarks
						The underlying lease agreement was executed between Widus International Leisure, Inc. and CDC.

DESCRIPTION OF PERMITS AND LICENSES

This section outlines the major permits and licenses necessary to operate our business. We believe that we have all the applicable and material permits and licenses necessary to operate our business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal. Moreover, we have adopted processes to strengthen our compliance culture in order to manage and ensure that all requirements, permits and approvals are obtained in a timely manner.

We believe that we have all the material permits and licenses necessary for our business as currently conducted, which are valid and subsisting as of the date of this Prospectus, as confirmed by the Palarca & Baluyot Law Office in a legal opinion dated [●].

The list of material permits and licenses necessary for us and our subsidiaries to operate our respective businesses as of March 31, 2025 are set out below.

HANN HOLDINGS, INC.

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
1	Certificate of Annual Inspection	CDC	CAI2025-0962	May 15, 2025	April 30, 2026
2	Certificate of Environmental Compliance	CDC	2025-0195	February 24, 2025	March 16, 2026
3	Fire Safety Inspection Certificate	CDC	2024-1494	August 5, 2024	August 5, 2025
4	Sanitary Permit	CDC	2024-0930	August 22, 2024	September 15, 2025
5	Authority to Operate	CDC	CDC-2025-199	May 1, 2024	April 30, 2027
6	Certificate of Registration for TIN No. 482-190-891-00000	BIR	N/A	March 9, 2016	N/A
7	Certificate of Registration	NPC	PIC-003-251-2025	N/A	May 14, 2026

SUBSIDIARY

Hann Philippines, Inc.

On August 30, 2024, the Philippine SEC approved the merger of HPI and HDC, with HPI being the surviving entity. As such, all assets, rights, privileges, powers and obligations, including those arising out of HDC's government licenses, permits, franchises, and registrations are taken and deemed to be conveyed, assigned, transferred to, and vested in HPI. These permits are included in the table summary below.

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
1	Certificate of Annual Inspection	CDC	CAI2024-1903/ CAI2024-1905	December 28, 2023	December 26, 2025
2	Certificate of Annual Inspection	CDC	CAI2024-1396	September 17, 2024	September 24, 2025

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
3	Certificate of Environmental Compliance	CDC	2024-0997/ 2024-0998	December 18, 2024	December 26, 2025
4	Certificate of Environmental Compliance	CDC	2024-0835	September 19, 2024	August 30, 2025
5	Certificate of Operations	CDC	COO2024-0557 to COO2024-0585	April 24, 2024	December 26, 2025
6	Certificate of Operations	CDC	COO2024-0590 to COO2024-0596	April 10, 2025	December 26, 2025
7	Certificate of Operations	CDC	COO2024-362 to COO2024-368	September 17, 2024	August 29, 2025
8	Sanitary Permit	CDC	2024-1335	December 10, 2024	December 15, 2025
9	Sanitary Permit	CDC	2024-1336 to 2024-1353	December 10, 2024	December 15, 2025
10	Sanitary Permit	CDC	2024-1086 to 2024-1099	October 10, 2024	October 15, 2025
11	Fire Safety Inspection Certificate	CDC	2025-0303	February 14, 2025	February 14, 2026
12	Fire Safety Inspection Certificate	CDC	2024-1295	June 28, 2024	June 28, 2025
13	Fire Safety Inspection Certificate	CDC	2024-1300	July 1, 2024	July 1, 2025
14	Certificate of Registration for TIN No. 482-191-203-00000	BIR	N/A	March 8, 2016	N/A
15	Certificate of Registration for Branch TIN No. 482-191-203-000008	BIR	N/A	August 19, 2021	N/A
16	Certificate of Registration for Branch TIN No. 755-858-873-00001	BIR	N/A	August 13, 2018	N/A
17	Authority to Operate	CDC	CDC-2025-198	May 1, 2024	April 30, 2027
18	Certificate of Registration	AMLC	N/A	April 14, 2025	N/A
19	Certificate of Registration	AMLC	N/A	May 20, 2024	N/A
20	Certificate of Registration	NPC	PIC-004-200-2025	N/A	May 14, 2026
21	Gaming License	PAGCOR	N/A	February 1, 2024	December 17, 2029
22	Certificate of Accreditation	DENR-EMB	COA No. 2023-RIII-5335	April 18, 2023	April 18, 2026
23	Certificate of Registration for TIN No. 755-858-873-00000	BIR	N/A	October 24, 2019	N/A
24	Electronic (eCasino) Games Operator	PAGCOR	N/A	February 13, 2025	January 29, 2028
25	PEZA Certificate of Registration	PEZA	EZ 25-003	N/A	N/A
26	BOC COR Export	BOC	EX0000973033	July 29, 2024	July 29, 2025
27	BOC COR Import	BOC	IM0007214995	July 29, 2024	July 29, 2025
28	Certificate of Approval	CDC	COA No. 2025-198	March 6, 2025	April 30, 2027

No.	Permit or License	Issuing Agency	Permit/License No.	Issue Date	Expiration
29	Certificate of Accreditation	DOT	DOT-R03-HTL-00622-2022	October 10, 2024	October 31, 2026
30	Certificate of Accreditation	DOT	DOT-R03-HTL-00088-2021	October 10, 2024	October 31, 2026

MATERIAL AGREEMENTS

HANN HOLDINGS, INC.

The Company has entered into the following material contracts or agreements as of the date of this Prospectus:

No.	Contract	Description	Date	Parties
1	Confidentiality Agreement dated 18 August 2022 between POSCO Engineering & Construction Co., Ltd. and Hann Holdings, Inc. for the Hann Reserve Resort (Confidentiality Agreement – Hann Reserve Resort)	The Parties entered into this Confidentiality Agreement to maintain the confidentiality of the Confidential Information necessarily disclosed as a result of their desire to explore the possibility of a business arrangement between them relating to Hann Reserve Resort in New Clark City and its surrounding areas.	August 18, 2022	POSCO Engineering & Construction Co., Ltd. and Hann Holdings, Inc.
2	Memorandum of Understanding (“MOU”) for Joint Development of Projects in Clark dated 18 August 2022 between Hann Holdings, Inc. and POSCO Engineering & Construction Co., Ltd.	The MOU sets forth the basis of the Parties’ intentions and understandings relative to the performance of any formal detailed and definitive agreement in relation to prospective development projects in Clark including Clark Freeport Zone and New Clark City and participating in the development of the project among other projects as a joint developer.	August 18, 2022	Hann Holdings, Inc. and POSCO Engineering & Construction Co., Ltd
3	License Agreement dated 22 August 2022 between The Professional Golfers’ Association of America, Han Holdings, Inc., Hann Philippines, Inc., and Hann Development Corp. (License Agreement – Professional Golfers’ Association PGA)	This is a License Agreement whereby Licensee is allowed to utilize and authorize its other related entities as approved by the PGA to utilize certain PGA owned and/or licensed trademarks as stated and clarified hereunder in connection with the golf developments, and other leisure and hospitality-related developments of Hann Group.	August 22, 2022	The Professional Golfers’ Association of America (“PGA”), Han Holdings, Inc. (“HHI”), Hann Philippines, Inc. (“HPI”), and Hann Development Corp. (“HDC”) (“Licensee”)
4	Sub-lease Agreement between WILI and WHI for Second	To sub-lease a portion of the Second Floor of Building 5400, M.A. Roxas Highway, CFZ with an area of 17.27 sq. meters	April 1, 2016	Widus International Leisure Inc (“Lessor”) and Widus Holdings, Inc. (“Lessee”)

No.	Contract	Description	Date	Parties
	Floor of Building 5400, M.A. Roxas Highway, CFZ	Term of lease is from May 1, 2016 to April 30, 2021		
	<i>(Sub-lease Agreement WILI and WHI)</i>			
5	Renewal of Sub- lease Agreement between WILI and WHI	To renew the Sub-lease Agreement before its expiration Term of lease is from May 1, 2021 to 30 April 2024	January 7, 2021	Widus International Leisure Inc (“Lessor”) and Widus Holdings, Inc. (“Lessee”)
6	Amendment to the Sub-lease Agreement between HILI and HHI <i>(Amended Sub- lease Agreement HILI and HHI))</i>	To reflect the change in corporate name of the parties and to transfer the sub-lessee to another area within HILII’s premises (i.e. Building 5399, M.A. Roxas Highway, CFZ) with an area of 28.96 sq. meters Term of lease is from May 1, 2021 to April 30, 2024	December 15, 2022	Hann International Leisure, Inc. (“Lessor”) and Hann Holdings, Inc. (“Lessee”)
7	Renewal of the amended Sub- lease Agreement between HILI and HHI	To renew the Amended Sub-lease Agreement before its expiration Term of lease is from May 1, 2024 to April 30, 2030	January 25, 2024	Hann International Leisure, Inc. (“Lessor”) and Hann Holdings, Inc. (“Lessee”)

SUBSIDIARY

HPI has entered into the following material contracts or agreements, subject to regulatory approval:

Hann Philippines, Inc.

No.	Title	Description	Date	Parties
1	Omnibus Loan Agreements and Security Agreements with Asia United Bank Corporation (AUB) and members of the Hann Group dated May 17, 2019 (2019 OLSA – AUB)	The OLSA sets forth the terms and conditions upon which AUB has agreed to provide a term loan facility to the Borrower in the aggregate amount of up to Five Billion Pesos (P5,000,000,000.00) for the purpose of partially financing the development, construction and initial operations of its Expansion Projects. Under the OLSA, HPI, the mortgagors, assignors, sureties and sponsors have agreed to provide certain collateral security for the payment of the obligations under the OLSA, including a first ranking mortgage over the	May 17, 2019	Hann Philippines, Inc. (formerly, Widus Philippines, Inc. as Borrower, Mortgagor, and Assignor); AUB as Lender, Mandated Lead Arranger and Sole Bookrunner; Widus International Leisure, Inc. as Assignor, Third Party Mortgagor, Surety and Sponsor); Hann Holdings, Inc. (formerly Widus Holdings, Inc.) as Assignor, Share Mortgagor, Surety and Sponsor, Dae Sik Han

		mortgaged collateral, an assignment of all rights, title, and interest and benefits of the assignors in the assigned collateral, the suretyship of the sureties.		(Assignor, Share Mortgagor, Individual Surety and Sponsor); Widus Korea Leisure Corp, Hyun Ja Nam, Seung Soo Hann, Mitchell A. Estacio, Agnes A. Liwanag, Ana Christi G. Galura as Assignors and Share Mortgagors; HYASS (FZC) as Assignor; Union Bank of the Philippines (UBP) as Joint Lead Arranger; and Asia United Bank Corporation – Trust and Investment Group as Collateral Trustee and DSRA and Paying Agent
2	First Amendment to the Omnibus Loan Security Agreement with AUB (First Amendment to the 2019 OLSA – AUB)	Under the First Amendment, AUB has agreed to increase the term loan commitment up to an aggregate of Two Billion Pesos (₱2,000,000,000.00), subject to the same terms and conditions as the original commitment.	May 26, 2021	Hann Philippines, Inc. (formerly, Widus Philippines, Inc. as Borrower, Mortgagor, and Assignor); AUB as Lender, Widus International Leisure, Inc. Hann Holdings, Inc. (formerly Widus Holdings, Inc.), Dae Sik Han; Widus Korea Leisure Corp, Hyun Ja Nam, Seung Soo Hann, Mitchell A. Estacio, Agnes A. Liwanag, Ana Christi G. Galura; HYASS (FZC) and Asia United Bank Corporation – Trust and Investment Group
3	Second Amendment to the Omnibus Loan Security Agreement with AUB (Second Amendment to the 2019 OLSA – AUB)	Under the Second Amendment, AUB has agreed to increase the term loan commitment up to an aggregate of Five Hundred Million (₱500,000,000.00), subject to the same terms and conditions as the original commitment.	May 4, 2022	Hann Philippines, Inc. (formerly, Widus Philippines, Inc. as Borrower, Mortgagor, and Assignor); AUB as Lender, Widus International Leisure, Inc., Hann Holdings, Inc. (formerly Widus Holdings, Inc.) Dae Sik Han; Widus Korea Leisure Corp, Hyun Ja Nam, Seung Soo Hann, Mitchell A. Estacio, Agnes A. Liwanag, Ana Christi G. Galura;

				HYASS (FZC) and Asia United Bank Corporation – Trust and Investment Group
4	Omnibus Loan Agreements and Security Agreements with United Bank of the Philippines (UBP) and members of the Hann Group dated May 17, 2019 (2019 OLSA – UBP)	The OLSA sets forth the terms and conditions upon which UBP has agreed to provide a term loan facility to the Borrower in the aggregate amount of up to Two Billion Pesos (₱2,000,000,000.00) for the purpose of partially financing the development, construction and initial operations of its Expansion Projects. Under the OLSA, HPI, the mortgagors, assignors, sureties and sponsors have agreed to provide certain collateral security for the payment of the obligations under the OLSA, including a first ranking mortgage over the mortgaged collateral, an assignment of all rights, title, and interest and benefits of the assignors in the assigned collateral, the suretyship of the sureties.	May 17, 2019	Hann Philippines, Inc. (formerly, Widus Philippines, Inc. as Borrower, Mortgagor, and Assignor; UBP as Lender and Joint Lead Arranger; Widus International Leisure, Inc. as Assignor, Third Party Mortgagor, Surety and Sponsor); Hann Holdings, Inc. (formerly Widus Holdings, Inc.) as Assignor, Share Mortgagor, Surety and Sponsor; Dae Sik Han as Assignor, Share Mortgagor, Individual Surety and Sponsor; Widus Korea Leisure Corp, Hyun Ja Nam, Seung Soo Hann, Mitchell A. Estacio, Agnes A. Liwanag, Ana Christi G. Galura (Assignors and Share Mortgagors); HYASS (FZC) as Assignor; Asia United Bank Corporation as Mandated Lead Arranger and Sole Bookrunner; and Asia United Bank Corporation – Trust and Investment Group Collateral Trustee and DSRA and Paying Agent
5	First Amendment to the Omnibus Loan Security Agreement with UBP (First Amendment to the 2019 OLSA – UBP)	Under the First Amendment, the Parties agreed on an applicable floor rate for interest payable on any borrowing on the unwithdrawn portion and on all outstanding advances thereon on each Repricing Date.	May 26, 2021	Hann Philippines, Inc. (formerly, Widus Philippines, Inc., as Borrower, Mortgagor, and Assignor); UBP, Widus International Leisure, Inc., Hann Holdings, Inc. (formerly Widus Holdings, Inc.), Dae Sik Han; Widus Korea Leisure Corp, Hyun Ja Nam, Seung Soo Hann, Mitchell A. Estacio,

				Agnes A. Liwanag, Ana Christi G. Galura; HYASS (FZC) and Asia United Bank Corporation – Trust and Investment Group
6	Second Amendment to the Omnibus Loan and Security Agreement with UBP (Second Amendment to the 2019 OLSA – UBP)	Under the Second Amendment, UBP has agreed to increase the term loan commitment up to Five Hundred Million (₱500,000,000.00), subject to the same terms and conditions as the original commitment.	May 4, 2022	Hann Philippines, Inc. (formerly, Widus Philippines, Inc.; UBP, Widus International Leisure, Inc., Hann Holdings, Inc. (formerly Widus Holdings, Inc.), Dae Sik Han; Widus Korea Leisure Corp, Hyun Ja Nam, Seung Soo Hann, Mitchell A. Estacio, Agnes A. Liwanag, Ana Christi G. Galura; HYASS (FZC) and Asia United Bank Corporation – Trust and Investment Group
7	Debt Service and Paying Agency Agreement dated May 17, 2019 with AUB and UBP	The Agreement designates and appoints Asia United Bank Corporation – Trust and Investment Group as the DSRA and Paying Agent in relation to the 2019 OLSAs.	May 17, 2019	Hann Philippines, Inc. (formerly, Widus Philippines, Inc.), Widus International Leisure, Inc., AUB, UBP, and Asia United Bank Corporation – Trust and Investment Group
8	Collateral Trust Agreement dated May 17, 2019	The Agreement sets forth the sharing in the Collateral under the 2019 OLSA, the rights and obligations as amongst the secured parties, the enforcement of their rights under the Loan Documents, and the appointment of the Collateral Trustee with respect to the Collateral.	May 17, 2019	Hann Philippines, Inc. (formerly, Widus Philippines, Inc.), Widus International Leisure, Inc., Hann Holdings, Inc. (formerly Widus Holdings, Inc.), Dae Sik Han, Widus Korea Leisure Corp, HYASS (FZC), other shareholders of Hann Philippines, Inc. and Hann International Leisure, AUB, UBP, and Asia United Bank Corporation – Trust and Investment Group
9	Agency Agreement dated May 17, 2019	The Agreement designates and appoints and Asia United Bank Corporation – Trust and Investment Group as Facility Agent to perform the functions	May 17, 2019	Hann Philippines, Inc. (formerly, Widus Philippines, Inc.), AUB, UBP, and Asia United Bank

		specified under the Loan Documents.		Corporation – Trust and Investment Group
10	Security Supplement to the Omnibus Agreement dated March 26, 2021 with Asia United Bank Corporation (AUB) and Union Bank of the Philippines (UBP) <i>(Security Supplement to the 2019 OLSA)</i>	The Agreement was executed by the Parties in fulfillment of the obligations under the Omnibus Agreements, and in compliance with the Personal Property Security Act (PPSA) and the PPSA Implementing Rules and Regulations, to preserve and protect the Security Interests of the Secured Parties under the Omnibus Agreements pending the establishment of the New Registry (and as such, pending the full implementation of the PPSA).	May 26, 2021	Hann Philippines, Inc. (formerly Widus Philippines, Inc.), Widus International Leisure, Inc., Hann Holdings, Inc. (formerly, Widus Holdings, Inc.), Dae Sik Han, Widus Korea Leisure Corp, HYASS (FZC), other shareholders of Hann Philippines, Inc. and Widus International Leisure, Inc. and Asia United Bank Corporation – Trust and Investment Group
11	Security Supplement No. 2 dated 29 June 2023 <i>(Security Supplement No. 2 to the 2019 OLSA)</i>	The Agreement supplements the mortgage under the 2019 OLSA.	June 29, 2023	Hann Philippines, Inc., Hann Development Corporation, Widus International Leisure, Inc., Hann Holdings, Inc. Dae Sik Han, Widus Korea Leisure, Corp., HYASS (FZE), other shareholders of Hann Development Corporation, and Asia United Bank Corporation – Trust Investments Group as Collateral Trustee
12	Omnibus Loan Agreement and Security Agreement dated March 17, 2023 between AUB and members of the Hann Group <i>(2019 OLSA – AUB)</i>	The OLSA sets forth the terms and conditions upon which AUB has agreed to provide a term loan facility to the Borrower in the aggregate amount of up to Two Billion Pesos (₱2,000,000,000.00) for the purpose of the construction and development of the Hann Reserve Project, a luxury mountain resort, a five-star Banyan Tree-branded hotel, an 18-hole golf course, a clubhouse, a public park, and ancillary facilities in the Hann Reserve Project Site. Under the OLSA, the Obligors have agreed to provide a first-ranking security interest in and to the collateral for the payment of the secured obligations.	March 2023	17, HPI as Borrower; HILI and Hann Development Corp. (HDC) as Grantor, Surety, and Sponsor; HHI and Dae Sik Han (DSH) as Grantor, Share Chargor, Surety, and Sponsor; HYASS FZE as Grantor; Hyun Ja Nam and Seung Soo Han as Share Chargers; Widus Korea Leisure Corp. as Grantor and Share Chargor (collectively, the Hann Group); AUB as Lender, Mandated Lead Arranger, and Bookrunner; Asia United Bank Corporation – Trust

					and Investment Group as Collateral Trustee, Facility Agent, and DSRA and Paying Agent; and UBP as Mandated Lead Arranger and Bookrunner
13	Omnibus Loan Agreements and Security Agreements with dated March 17, 2023 between UBP and members of the Hann Group (2019 OLSA – UBP)	The OLSA sets forth the terms and conditions upon which UBP has agreed to provide a term loan facility to the Borrower in the aggregate amount of up to Seven Billion Pesos (₱7,000,000,000.00) for the purpose of financing the construction and development of the Hann Reserve Project, a luxury mountain resort, a five-star Banyan Tree-branded hotel, an 18-hole golf course, a clubhouse, a public park, and ancillary facilities in the Hann Reserve Project Site. Under the OLSA, the Obligors have agreed to provide a first-ranking security interest in and to the collateral for the payment of the secured obligations.	March 2023	17,	HPI as Borrower; HILI and HDC as Grantor, Surety, and Sponsor; HHI and Dae Sik Han (DSH) as Grantor, Share Chargor, Surety, and Sponsor; HYASS FZE as Grantor; Hyun Ja Nam and Seung Soo Han as Share Chargers; Widus Korea Leisure Corp. as Grantor and Share Chargor (collectively, the Hann Group); UBP as Lender, Mandated Lead Arranger, and Bookrunner; Asia United Bank Corporation – Trust and Investment Group as Collateral Trustee, Facility Agent, and DSRA and Paying Agent; and Asia United Bank Corporation (AUB) as Mandated Lead Arranger and Bookrunner
14	Agency Agreement dated March 17, 2023	The Agreement designates and appoints and Asia United Bank Corporation – Trust and Investment Group as Facility Agent to perform the functions specified under the 2023 OLSAs.	March 2023	17,	Hann Philippines, Inc. AUB, UBP, and Asia United Bank Corporation – Trust and Investment Group as Facility Agent.
15	Collateral Trust and Security Sharing Agreement between March 17, 2023.	The Agreement amends and restates the 2019 Collateral Trust Agreement, and sets forth agreements regarding the sharing of the Collateral, as well as the rights and obligations as among themselves, the enforcement of their rights under the Loan Documents, the appointment by the 2023 Lenders of Asia United Bank Corporation – Trust and Investments Group as the	March 2023	17,	Hann Philippines, Inc. AUB, UBP, Hann Development Corporation, Widus International Leisure, Inc. Hann Holdings, Inc., Dae Sik Han, Widus Korea Leisure Corp., HYASS (FZE), other shareholders of Hann Philippines, Inc. Hann Development Corporation, and Hann

		Collateral Trustee with respect to the Collateral.		International Leisure, Inc.; and Asia United Bank Corporation – Trust Investments Group
16	Omnibus Loan Agreement and Security Agreement dated November 12, 2024 between AUB and members of the Hann Group <i>(2024 OLSA – AUB)</i>	The OLSA sets forth the terms and conditions upon which AUB has agreed to provide a term loan facility to the Borrower in the aggregate amount of up to Three Billion Pesos (₱ 3,000,000,000.00) for the purpose of the construction and expansion of the casino / gaming expansion building, multilevel carpark building, back of house and engineering rooms, and food and beverages area, and procurement of gaming and other food equipment, for the Hann Casino Project. Under the OLSA, the Obligors have agreed to provide a first-ranking security interest in and to the collateral for the payment of the secured obligations.	November 12, 2024	HPI as Borrower and HILI as Grantor, Surety, and Sponsor; HHI and Dae Sik Han (DSH) as Grantor, Share Chargor, Surety, and Sponsor; Widus Korea Leisure Corp. as Grantor and Share Chargor (collectively, the Hann Group); UBP as Lender, Mandated Lead Arranger, and Bookrunner; Asia United Bank Corporation – Trust and Investment Group as Collateral Trustee, Facility Agent, and DSRA and Paying Agent; and Asia United Bank Corporation (AUB) as Mandated Lead Arranger and Bookrunner
17	Omnibus Loan Agreements and Security Agreements with dated November 12, 2024 between UBP and members of the Hann Group <i>(2024 OLSA – UBP)</i>	The OLSA sets forth the terms and conditions upon which AUB has agreed to provide a term loan facility to the Borrower in the aggregate amount of up to Three Billion Pesos (₱ 3,000,000,000.00) for the purpose of the construction and expansion of the casino / gaming expansion building, multilevel carpark building, back of house and engineering rooms, and food and beverages area, and procurement of gaming and other food equipment, for the Hann Casino Project. Under the OLSA, the Obligors have agreed to provide a first-ranking security interest in and to the collateral for the payment of the secured obligations.	November 12, 2024	HPI as Borrower and HILI as Grantor, Surety, and Sponsor; HHI and Dae Sik Han (DSH) as Grantor, Share Chargor, Surety, and Sponsor; Widus Korea Leisure Corp. as Grantor and Share Chargor (collectively, the Hann Group); UBP as Lender, Mandated Lead Arranger, and Bookrunner; Asia United Bank Corporation – Trust and Investment Group as Collateral Trustee, Facility Agent, and DSRA and Paying Agent; and Asia United Bank Corporation (AUB) as Mandated Lead Arranger and Bookrunner

18	Agency Agreement dated November 12, 2024	The Agreement designates and appoints Asia United Bank Corporation – Trust and Investment Group as Facility Agent to perform the functions specified under the 2024 OLSAs.	November 12, 2024	Hann Philippines, Inc. AUB, UBP, and Asia United Bank Corporation – Trust and Investment Group as Facility Agent.
19	Collateral Trust and Security Sharing Agreement between 12 November 2024.	The Agreement amends and restates the 2019 Collateral Trust Agreement, and sets forth agreements regarding the sharing of the Collateral, as well as the rights and obligations as among themselves, the enforcement of their rights under the Loan Documents, the appointment by the 2024 Lenders of Asia United Bank Corporation – Trust and Investments Group as the Collateral Trustee with respect to the Collateral.	November 12, 2024	Hann Philippines, Inc. AUB, UBP, Hann International Leisure, Inc. Hann Holdings, Inc. Dae Sik Han, Widus Korea Leisure Corp., HYASS (FZE), other shareholders of Hann Philippines, Inc., and Hann International Leisure, Inc.; and Asia United Bank Corporation – Trust Investments Group
20	Hotel Management Agreement for Banyan Tree Philippines Clark dated July 3, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc. <i>(Hotel Management Agreement – Banyan Tree Philippines Clark)</i>	This is a Hotel Management Agreement for Banyan Tree Philippines Clark, defining the scope and limitations of management services to be done by the Hotel Consultant for Owner.	July 3, 2019	Widus Philippines, Inc. (“ Owner ”) and S&P, Inc. (“ Manager ”)
21	Side Letter dated July 3, 2019 to the Hotel Management Agreement (Banyan Tree Philippines Clark) between Widus Holdings, Inc. (now Hann Holdings, Inc.), Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc.	This is a Side Letter to the <i>Hotel Management Agreement – Banyan Tree Philippines Clark</i> entered into between Widus Philippines, Inc. (now Hann Holdings, Inc.) (“ Owner ”) and S&P, Inc. (“ Manager ”) for the Banyan Tree Philippines Clark hotel. This delineates the terms and conditions for the initial term and the renewal terms of the Hotel Management Agreement, as agreed upon between the Shareholder and the Manager.	July 3, 2019	Widus Holdings, Inc. (now Hann Holdings, Inc.) (“ Shareholder ”), Widus Philippines, Inc. (now Hann Holdings, Inc.) (“ Owner ”) and S&P, Inc. (“ Manager ”)

*(Side Letter to the
Hotel
Management
Agreement –
Banyan Tree
Philippines
Clark)*

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| 22 | Hotel Consultancy Services Agreement for Banyan Tree Philippines Clark dated July 3, 2019 between Widus Philippines, Inc. and S&P, Inc. | This is a Hotel Consultancy Services Agreement for Banyan Tree Philippines Clark, defining the scope and limitations of consultancy services to be done by the Hotel Consultant for Owner. | July 3, 2019 | Widus Philippines, Inc. (“ Owner ”) and S&P, Inc. (“ Hotel Consultant ”) |
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*(Hotel
Consultancy
Services
Agreement –
Banyan Tree
Philippines
Clark)*

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| 23 | Memorandum of Understanding dated February 18, 2019 between S&P, Inc. and Widus Philippines, Inc. (now Hann Philippines, Inc.) | This is a Memorandum of Understanding setting out the substantial commercial terms under which Operator may manage the Banyan Tree Philippines Clark and Angsana Philippines Clark hotels. | February 18, 2019 | S&P, Inc. (“ Operator ”) and Widus Philippines, Inc. (“ Owner ”) |
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*(Memorandum of
Understanding –
Banyan Tree
Philippines Clark
and Angsana
Philippines
Clark)*

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| 24 | Hotel Management Agreement for Angsana Philippines Clark dated July 3, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc. | This is an Agreement for the grant by Widus Philippines, Inc. to S&P, Inc. the right to operate the Angsana Philippines Clark Hotel. | July 3, 2019 | Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and S&P, Inc. (“ Manager ”) |
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*(Hotel
Management
Agreement –*

***Angsana
Philippines
Clark)***

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| 25 | Side Letter dated July 3, 2019 to the Hotel Management Agreement (Angsana) between Widus Holdings, Inc. (now Hann Holdings, Inc.), Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc. | This Letter sets out the understanding between the Parties with respect to the Hotel Management Agreement, which supplements certain provisions of the Hotel Management Agreement. | July 3, 2019 | Widus Holdings, Inc. (now Hann Holdings, Inc.) (“ Shareholder ”), Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and S&P, Inc. (“ Manager ”) |
| <p><i>(Side Letter to the Hotel Management Agreement – Angsana Philippines Clark)</i></p> | | | | |
| 26 | Letter Guarantee dated July 3, 2019 in support of the Hotel Management Agreement (Angsana) between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc. | This is a Letter Guarantee in supplement to the Hotel Management Agreement. | July 3, 2019 | Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and S&P, Inc. (“ Manager ”) |
| <p><i>(Letter Guarantee in support of the Hotel Management Agreement – Angsana Philippines Clark)</i></p> | | | | |
| 27 | Hotel Consultancy Services Agreement for Angsana Philippines Clark dated July 3, 2019 between Widus Philippines, Inc. (now Hann | This is an Agreement for the appointment of S&P, Inc. to provide the following Services:
1. To be available throughout various stages of feasibility, design, construction and fit-out, as required by this Agreement, to provide the Services including: | July 3, 2019 | Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and S&P, Inc. (“ Hotel Consultant ”) |

	Philippines, Inc.) and S&P, Inc.			
	<i>(Hotel Consultancy Services – Angsana Philippines Clark)</i>	a. Attending meetings and providing comments; and b. Providing advice in relation to the functionality, running costs of the Works and compliance with the Standards; and		
		2. To assist Hann Philippines, Inc. with the selection and formation of a team of Consultants; and		
		3. To acknowledge and respond to any reasonable comments and recommendations made by Hann Philippines, Inc. in relation to the Services.		
28	Memorandum of Understanding dated February 18, 2019 between S&P, Inc. and Widus Philippines, Inc. (now Hann Philippines, Inc.)	This is a Memorandum of Understanding setting out the substantial commercial terms under which Operator may manage the Mercure Philippines Clark Hotel.	February 18, 2019	S&P, Inc. (“ Operator ”) and Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”)
	<i>(Memorandum of Understanding – Mercure Philippines Clark)</i>			
29	Hotel Management Agreement for Mercure Philippines Clark dated July 3, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc.	This is an Agreement for the engagement of S&P, Inc. by Widus Philippines, Inc. to exclusively manage the Mercure Philippines Clark Hotel for and on behalf of Widus Philippines, Inc.	July 3, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and S&P, Inc. (“ Manager ”)
	<i>(Hotel Management Agreement – Mercure Philippines Clark)</i>			

30	Side Letter dated July 3, 2019 to the Hotel Management Agreement (Mercure) between Widus Holdings, Inc. (now Hann Holdings, Inc.), Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc. <i>(Side Letter to the Hotel Management Agreement – Mercure Philippines Clark)</i>	This Letter sets out the understanding between the Parties with respect to the Hotel Management Agreement, which supplements certain provisions of the Hotel Management Agreement.	July 3, 2019	Widus Holdings, Inc. (now Hann Holdings, Inc.) (“Shareholder”), Widus Philippines, Inc. (now Hann Philippines, Inc.) (“Owner”) and S&P, Inc. (“Manager”)
31	Hotel Consultancy Services Agreement for Mercure Philippines Clark dated July 3, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc. <i>(Hotel Consultancy Services – Mercure Philippines Clark)</i>	This is an Agreement for the appointment of S&P, Inc. to provide the following Services: 1. To be available throughout various stages of feasibility, design, construction and fit-out, as required by this Agreement, to provide the Services including: a. Attending meetings and providing comments; and b. Providing advice in relation to the functionality, running costs of the Works and compliance with the Standards; and 2. To assist Hann Philippines, Inc. with the selection and formation of a team of Consultants; and 3. To acknowledge and respond to any reasonable comments and recommendations made by Hann Philippines, Inc. in relation to the Services.	July 3, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“Owner”) and S&P, Inc. (“Hotel Consultant”)

32	Franchise Agreement for Swissotel Clark Philippines dated July 3, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc.	This is a Franchise Agreement for Swissotel Clark Philippines whereby the Franchisor grants to the Licensee the non-exclusive right and license to use the System developed by the Accor Group in relation to the operation of the hotel and business under the Swissotel brand.	July 3, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Franchisee ”) and S&P, Inc. (“ Franchisor ”)
	<i>(Franchise Agreement – Swissotel Clark Philippines)</i>			
33	Side Letter dated February 27, 2023 to the Franchise Agreement (Swissotel Clark Philippines) between Hann Philippines, Inc. and S&P, Inc.	This is a Side Letter to the Franchise Agreement – Swissotel Clark Philippines between Hann Philippines, Inc. (“Franchisee”) and S&P, Inc. (“Franchisor”) dated 27 February 2023 for the Swissotel Clark Philippines hotel. This Side Letter defines the Franchise Support Fee.	February 27, 2023	Hann Philippines, Inc. (“ Franchisee ”) and S&P, Inc. (“ Franchisor ”)
	<i>(Side Letter to the Franchise Agreement – Swissotel Clark Philippines)</i>			
34	Amendment No. 1 to Franchise Agreement for Swissotel Clark Philippines dated February 27, 2023 between Hann Philippines, Inc. and S&P, Inc.	This is Amendment No. 1 for the Franchise Agreement for the Swissotel Clark Philippines hotel, covering amendments to the Initial Term and Loyalty Program Fee.	February 27, 2023	Hann Philippines, Inc. (“ Franchisee ”) and S&P, Inc. (“ Franchisor ”)
	<i>(Amendment No. 1 to Franchise Agreement – Swissotel Clark Philippines)</i>			
35	Hotel Consultancy Services Agreement for Swissotel Clark Philippines dated July 3, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and S&P, Inc.	This is a Hotel Consultancy Services Agreement for Swissotel Philippines Clark, defining the scope and limitations of consultancy services to be done by the Hotel Consultant for Owner.	July 3, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and S&P, Inc. (“ Hotel Consultant ”)

***(Hotel
Consultancy
Services
Agreement –
Swissotel Clark
Philippines)***

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| 36 | Memorandum of Understanding dated February 18, 2019 between S&P, Inc. and Widus Philippines, Inc. (now Hann Philippines, Inc.) | This is a Memorandum of Understanding setting out the substantial commercial terms under which Operator may manage the Swissotel Philippines Clark hotel. | February 18, 2019 | S&P, Inc. (“ Operator ”) and Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) |
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***(Memorandum of
Understanding –
Swissotel
Philippines
Clark)***

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| 37 | Hotel Consultancy Services Agreement for Sofitel Clark dated August 22, 2022 between Hann Philippines, Inc. and S&P, Inc. | <p>This is an Agreement for the appointment of S&P, Inc. to provide the following Services:</p> <ol style="list-style-type: none"> 1. To be available throughout various stages of feasibility, design, construction and fit-out, as required by this Agreement, to provide the Services including: <ol style="list-style-type: none"> a. Attending meetings and providing comments; and b. Providing advice in relation to the functionality, running costs of the Works and compliance with the Standards; and 2. To assist Hann Philippines, Inc. with the selection and formation of a team of Consultants; and 3. To acknowledge and respond to any reasonable comments and recommendations made by Hann Philippines, Inc. in relation to the Services. | August 22, 2022 | Hann Philippines, Inc. and S&P, Inc. |
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***(Hotel
Consultancy
Services – Sofitel
Clark)***

38	Franchise Agreement for Sofitel Clark dated August 22, 2022 between Hann Philippines, Inc. and S&P, Inc.	This is an Agreement for the grant by Hann Philippines, Inc. to S&P, Inc. the right to operate the Sofitel Clark Hotel.	August 22, 2022	Hann Philippines, Inc. and S&P, Inc.
	<i>(Franchise Agreement - Sofitel Clark)</i>			
39	Side Letter dated 22 August 2022 to the Franchise Agreement (Sofitel) between Hann Philippines, Inc. and S&P, Inc.	This Letter sets out the understanding between the Parties with respect to the Franchise Agreement, particularly the application for exemption and registration of the Franchise Agreement with the Intellectual Property Office of the Philippines.	August 22, 2022	Hann Philippines, Inc. and S&P, Inc.
	<i>(Side Letter to the Franchise Agreement – Sofitel Clark)</i>			
40	Management Agreement for New Clark City, A Luxury Collection Resort dated September 25, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Renaissance Hotels International Corporation Limited (Philippine Branch)	This is a Management Agreement whereby the Owner engages Manager to supervise, direct and control the operation of the Hotel for and on behalf of Owner from the Opening Date to the end of the Term.	September 25, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Renaissance Hotels International Corporation Limited (Philippine Branch) (“ Manager ”)
	<i>(Management Agreement – New Clark City, A Luxury Collection Resort)</i>			
41	License and Royalty Agreement for New Clark City, A Luxury Collection Resort dated September 25, 2019 between Widus	This is an Agreement whereby the Owner obtains from Licensor, and Licensor grants to Owner, a non-exclusive and non-transferable license to use the Marriott Trademarks for hotel services in Tarlac, the Republic of the Philippines and only in connection	September 25, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Luxury Hotels International of Hong Kong Limited (“ Licensor ”)

Philippines, Inc.
(now Hann
Philippines, Inc.)
and Luxury
Hotels
International of
Hong Kong
Limited

with the operation of the Hotel on
the terms in this Agreement.

***(License and
Royalty
Agreement – New
Clark City, A
Luxury
Collection
Resort)***

- | | | | | |
|----|---|--|-------------------------------|--|
| 42 | <p>Technical
Services
Agreement for
New Clark City,
A Luxury
Collection Resort
dated September
25, 2019 between
Widus
Philippines, Inc.
(now Hann
Philippines, Inc.)
and Marriott
International
Design &
Construction
Services, Inc.</p> <p><i>(Technical
Services
Agreement – New
Clark City, A
Luxury
Collection
Resort)</i></p> | <p>This is an Agreement whereby
Owner retains MIDCS to provide
technical advisory services to
Owner so that the Hotel, when
opened for business, will meet
Brand Standards, and MIDCS
provides, either directly or
through its Affiliates or third
parties, the services on the terms
in this Agreement.</p> | <p>September 25,
2019</p> | <p>Widus Philippines, Inc.
(now Hann Philippines,
Inc.) (“Owner”) and
Marriott International
Design & Construction
Services, Inc.
(“MIDCS”)</p> |
| 43 | <p>Owner Privileges
Side Letter for
New Clark City,
A Luxury
Collection Resort
dated September
25, 2019 between
Widus
Philippines, Inc.
(now Hann
Philippines, Inc.)
and Renaissance
Hotels
International
Corporation
Limited</p> | <p>This purpose of this Letter
Agreement is to commemorate
certain understandings and
agreements of the parties with
respect to the Management
Agreement, which supplement
certain provisions of the
Management Agreement.</p> | <p>September 25,
2019</p> | <p>Widus Philippines, Inc.
(now Hann Philippines,
Inc.) (“Owner”) and
Renaissance Hotels
International
Corporation Limited
(Philippine Branch)
(“Manager”)</p> |

(Philippine
Branch)

***(Owner Privileges
Side Letter – New
Clark City, A
Luxury
Collection
Resort)***

- | | | | | |
|----|--|---|--------------------|--|
| 44 | International Services Agreement for New Clark City, A Luxury Collection Resort dated September 25, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Sheraton Overseas Management Corporation | This is an Agreement whereby The Owner engages Service Provider to perform International Marketing Fund Activities outside the Republic of the Philippines in support of the Hotel, and Service Provider wants to accept such engagement. | September 25, 2019 | Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Sheraton Overseas Management Corporation (“ Service Provider ”) |
|----|--|---|--------------------|--|

***(International
Services
Agreement – New
Clark City, A
Luxury
Collection
Resort)***

- | | | | | |
|----|--|---|-----------------|--------------------------------------|
| 45 | Franchise Agreement for Emblems Clark dated August 22, 2022 between Hann Philippines, Inc. and S&P, Inc. | This is an Agreement for the grant by Hann Philippines, Inc. to S&P, Inc. the right to operate the Emblems Clark Hotel. | August 22, 2022 | Hann Philippines, Inc. and S&P, Inc. |
|----|--|---|-----------------|--------------------------------------|

***(Franchise
Agreement -
Emblems Clark)***

- | | | | | |
|----|---|---|-----------------|--------------------------------------|
| 46 | Hotel Consultancy Services Agreement for Emblems Clark dated August 22, 2022 between Hann Philippines, Inc. and S&P, Inc. | This is an Agreement for the appointment of S&P, Inc. to provide the following Services:
<ol style="list-style-type: none"> 1. To be available throughout various stages of feasibility, design, construction and fit-out, as required by this Agreement, to provide the Services including: <ol style="list-style-type: none"> a. Attending meetings and | August 22, 2022 | Hann Philippines, Inc. and S&P, Inc. |
|----|---|---|-----------------|--------------------------------------|

***(Hotel
Consultancy
Services)***

***Agreement -
Emblems Clark)***

- providing
comments; and
- b. Providing
advice in
relation to the
functionality,
running costs of
the Works and
compliance with
the Standards;
and
- 2. To assist Hann
Philippines, Inc. with the
selection and formation
of a team of Consultants;
and
- 3. To acknowledge and
respond to any reasonable
comments and
recommendations made
by Hann Philippines, Inc.
in relation to the Services.

47	Side Letter dated August 22, 2022 to the Franchise Agreement (Emblems) between Hann Philippines, Inc. and S&P, Inc.	This Letter sets out the understanding between the Parties with respect to the Franchise Agreement, particularly the application for exemption and registration of the Franchise Agreement with the Intellectual Property Office of the Philippines.	August 22, 2022	Hann Philippines, Inc. and S&P, Inc.
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***(Side Letter to the
Franchise
Agreement –
Emblems Clark)***

48	License and Royalty Agreement for The Westin New Clark City dated September 25, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Luxury Hotels International of Hong Kong Limited	This is an Agreement whereby the Owner obtains from Licensor, and Licensor grants to Owner, a non- exclusive and non-transferable license to use the Marriott Trademarks for hotel services in Tarlac, the Republic of the Philippines and only in connection with the operation of the Hotel on the terms in this Agreement.	September 25, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Luxury Hotels International of Hong Kong Limited (“ Licensor ”)
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***(License and
Royalty
Agreement – The
Westin New
Clark City)***

49	Technical Services Agreement for The Westin New Clark City dated September 25, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Marriott International Design & Construction Services, Inc.	This is an Agreement whereby Owner retains MIDCS to provide technical advisory services to Owner so that the Hotel, when opened for business, will meet Brand Standards, and MIDCS provides, either directly or through its Affiliates or third parties, the services on the terms in this Agreement.	September 25, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Marriott International Design & Construction Services, Inc. (“ MIDCS ”)
	<i>(Technical Services Agreement – The Westin New Clark City)</i>			
50	Owner Privileges Side Letter for The Westin New Clark City dated September 25, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Renaissance Hotels International Corporation Limited (Philippine Branch)	This purpose of this Letter Agreement is to commemorate certain understandings and agreements of the parties with respect to the Management Agreement, which supplement certain provisions of the Management Agreement.	September 25, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Renaissance Hotels International Corporation Limited (Philippine Branch) (“ Manager ”)
	<i>(Owner Privileges Side Letter for The Westin New Clark City)</i>			
51	International Services Agreement for The Westin New Clark City dated September 25, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Westin Hotel Management, L.P.	This is an Agreement whereby The Owner engages Service Provider to perform International Marketing Fund Activities outside the Republic of the Philippines in support of the Hotel, and Service Provider wants to accept such engagement.	September 25, 2019	Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Owner ”) and Westin Hotel Management, L.P. (“ Service Provider ”)

***(International
Services
Agreement – The
Westin New
Clark City)***

- | | | | | |
|----|--|---|----------------|--|
| 52 | Franchise Agreement for Intercontinental New Clark City Hann Reserve dated March 27, 2024 between InterContinental Hotels Group (Asia Pacific) Pte Ltd. and Hann Philippines, Inc. | This is a Franchise Agreement for Intercontinental New Clark City Hann Reserve hotel, whereby the Licensor allows the Licensee to open and operate the hotel as a Brand Hotel for a term of twenty (20) years. This Agreement sets forth the terms and conditions of the license granted to the Licensee. | March 27, 2024 | InterContinental Hotels Group (Asia Pacific) Pte Ltd. (“ Licensor ”) and Hann Philippines, Inc. (“ Licensee ”) |
|----|--|---|----------------|--|

***(Franchise
Agreement –
Intercontinental
New Clark City
Hann Reserve)***

- | | | | | |
|----|--|--|-------------------|---|
| 53 | Golf Course Design Consultancy Services Agreement dated February 20, 20219 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Nicklaus Design, LLC | This is a Consultancy Agreement between Client and Consultant pertaining to golf course design and marketing consultancy services. | February 19, 2019 | Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Client ”) and Nicklaus Design, LLC (“ Consultant ”) |
|----|--|--|-------------------|---|

***(Golf Course
Design
Consultancy
Services
Agreement –
Widus Golf
Resort
Development
Project)***

- | | | | | |
|----|---|---|-------------------|---|
| 54 | Confidentiality Agreement dated February 20, 2019 between Widus Philippines, Inc. (now Hann Philippines, Inc.) and Nicklaus Design, LLC | This Confidentiality Agreement is for the purpose of ensuring that:
(1) the Consultant shall maintain the strict confidentiality of any information concerning the Project, including details of the various construction phases and any information about | February 20, 2019 | Widus Philippines, Inc. (now Hann Philippines, Inc.) (“ Client ”) and Nicklaus Design, LLC (“ Consultant ”) |
|----|---|---|-------------------|---|

(Confidentiality Agreement – Widus Golf Resort Development Project)

WIDUS ("Confidential Information") provided by WIDUS and / or its Parent Company, Subsidiaries and Affiliate Companies or any information that the Consultant may obtain or come across in the course of this prequalification process;

- (2) the Consultant shall not disclose this Information to other persons or companies without the prior written consent of WIDUS.; and
- (3) the Consultant shall not use the source data other than for the benefit and use by WIDUS.

55	Agreement for the Provision of Golf Course Design Services for Hann Development Corporation, New Clark City dated 9 January 2022 between Hann Development Corporation and Faldo Design, Inc.	This is an Agreement for the design by Faldo Design, Inc. of one (1) 18-hole Sir Nick Faldo Signature golf course and associated practice area at the land of Hann Development Corporation in New Clark City.	January 9, 2022	Hann Development Corporation and Faldo Design, Inc.
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(Golf Course Design Consulting Services Agreement – Sir Nick Faldo Signature Golf Course)

56	Agreement for the Provision of Golf Course Design Consulting Services dated November 26, 2019 between KJ Choi, Inc. and Hann Development Corporation	This is an Agreement for the appointment of KJ Choi, Inc. as a consultant in the design of one (1) 18-hole KJ Choi Signature golf course at the land of Hann Development Corporation in New Clark City.	November 26, 2019	KJ Choi, Inc. and Hann Development Corporation
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(Golf Course Design Consulting

***Services
Agreement – KJ
Choi Signature
Golf Course)***

- | | | | | |
|----|--|---|------------------|---|
| 57 | Variation to the 26 November 2019 Golf Course Design Services Agreement between Hann Development Corporation and KJ Choi Inc. dated February 4, 2023 | This Agreement introduces amendatory and supplementary provisions to the Golf Course Design Services Agreement executed by the parties on 26 November 2019. | February 4, 2023 | Hann Development Corporation and KJ Choi Inc. |
|----|--|---|------------------|---|

***(Variation to the
Golf Course
Design
Consulting
Services
Agreement – KJ
Choi Signature
Golf Course)***

- | | | | | |
|----|--|--|------------------|--|
| 58 | Contract of Lease dated October 25, 2019 between Bases Conversion and Development Authority and Hann Development Corporation | This is an Agreement for the lease of a 450-hectare property located in the southern portion of the New Clark City in the Municipality of Capas, Province of Tarlac. | October 25, 2019 | Bases Conversion and Development Authority (“ BCDA ” or “ Lessor ”) and Hann Development Corporation (“ Lessee ”) |
|----|--|--|------------------|--|

***(Contract of
Lease – Luxury
Mountain resort
Development in
New Clark City)***

- | | | | | |
|----|---|---|----------------|---|
| 59 | <i>PEZA
Registration
Agreement dated
March 10, 2021
between
Philippine
Economic Zone
Authority
(“PEZA”) and
Hann
Development
Corporation
(“Registrant”)</i> | This Registration Agreement is entered into by the parties pursuant to the Registrant’s right to operate as an Ecozone Developer/Operator and to establish, develop, administer, manage, and operate a Special Economic Zone to be known as Hann Lux Lifestyle Resort CSEZ. | March 10, 2021 | Philippine Economic Zone Authority (“PEZA”) and Hann Development Corporation (“Registrant”) |
|----|---|---|----------------|---|

***(PEZA
Registration
Agreement –
Hann***

Development Corporation)

- | | | | | |
|----|--|--|---------------|---|
| 60 | PEZA Registration Agreement dated 28 January 2025 between Philippine Economic Zone Authority (“PEZA”) and Hann Philippines, Inc. (“Registrant”) | This Registration Agreement is entered into by the parties pursuant to merger between HDC and HPI, with HPI as the surviving entity will assume all the rights and obligations to operate as an Ecozone Developer/Operator and to establish, develop, administer, manage, and operate a Special Economic Zone to be known as Hann Lux Lifestyle Resort CSEZ. | 10 March 2021 | Philippine Economic Zone Authority (“PEZA”) and Hann Development Corporation (“Registrant”) |
|----|--|--|---------------|---|

(PEZA Registration Agreement – Hann Philippines, Inc.)

- | | | | | |
|----|--|---|---|---|
| 61 | Retail Sublease Agreement notarized on 06 October 2023 and 07 December 2023 between Hann Philippines, Inc. and Bistro Americano Corp | This Sublease Agreement sets forth the terms and conditions of the sublease between the parties.

The period of the sublease is 10 years starting on the date of turnover of the Leased Area. | Notarized on October 6, 2023 and December 7, 2023 | Hann Philippines, Inc. (“ Lessor ”) and Bistro Americano Corp. (formerly Bistronomia Corp.) (Hard Rock Café) (“ Lessee ”) |
|----|--|---|---|---|

(Sublease Agreement – Hard Rock Café)

- | | | | | |
|----|--|--|-------------------------------|---|
| 62 | Operating Lease Agreement notarized on 18 October 2023 between Hann Philippines, Inc. and Bistro Americano Corp. | This Operating Lease Agreement sets forth the terms and conditions of the lease over the space comprising a portion of the Lessor’s premises and the operating lease on the equipment to the Lessee. | Notarized on October 18, 2023 | Hann Philippines, Inc. (“ Lessor ”) and Bistro Americano Corp. (“ Lessee ”) |
|----|--|--|-------------------------------|---|

(Operating Agreement – Hard Rock Café)

- | | | | | |
|----|--|---|------------------|--|
| 63 | Amendment to the Sublease Agreement dated 15 January 2024 between Hann Philippines, Inc. and Bistro Americano Corp. (Hard Rock Café) | This Amendment to the Sublease Agreement acknowledges the correction of the Lessee’s name from Bistronomia Corp. to Bistro Americano Corp. and provides an amended term sheet in respect of the Leased Area and the Lease Rate. | January 15, 2024 | Hann Philippines, Inc. (“ Lessor ”) and Bistro Americano Corp. (Hard Rock Café) (“ Lessee ”) |
|----|--|---|------------------|--|

(Amendment to the Sublease

***Agreement –
Hard Rock Café)***

- | | | | | |
|----|--|---|----------------|--|
| 64 | Lease Agreement dated 19 April 2023 between Hann Philippines, Inc. and D Barn Food House, Inc. | This Lease Agreement sets forth the terms and conditions of the lease between the parties.

The period of the lease is 5 years starting on the date of turnover of the Leased Area. | April 19, 2023 | Hann Philippines, Inc. (“ Lessor ”) and D Barn Food House, Inc. (“ Lessee ”) |
|----|--|---|----------------|--|

***(Lease
Agreement – Tom
n Toms)***

- | | | | | |
|----|---|---|-----|--|
| 65 | General Terms and Conditions of the Retail Sublease Agreement for Tom n Toms between Hann Philippines, Inc. and D Barn Food House, Inc. | This document lays down the general terms and conditions of the Retail Sublease Agreement. It is attached and deemed to form and be read and construed as part of the <i>Lease Agreement – Tom n Toms.</i> | N/A | Hann Philippines, Inc. (“ Lessor ”) and D Barn Food House, Inc. (“ Lessee ”) |
|----|---|---|-----|--|

***(General Terms
and Conditions of
the Retail
Sublease
Agreement – Tom
n Toms)***

- | | | | | |
|----|---|---|----------------|---|
| 66 | Sub-Lease Agreement dated March 22, 2024 between Hann Philippines, Inc. and Digitalks Technology Corp., | This Sub-Lease Agreement sets forth the terms and conditions of the lease between the parties.

The period of the lease is 3 years starting on the date of turnover of the Leased Area. | March 23, 2022 | Hann Philippines, Inc. (“ Lessor ”) and Digitalks Technology Corp. (“ Lessee ”) |
|----|---|---|----------------|---|

***(Lease
Agreement –
Digitalks
Technology Corp)***

- | | | | | |
|----|---|---|--------------|--|
| 67 | Sub-Lease Agreement dated July 3, 2024 between Hann Philippines, Inc. and True Religion | This Sub-Lease Agreement sets forth the terms and conditions of the lease between the parties.

The period of the lease is 5 years starting on the date of turnover of the Leased Area. | July 3, 2024 | Hann Philippines, Inc. (“ Lessor ”) and True Religion (“ Lessee ”) |
|----|---|---|--------------|--|

***(Lease
Agreement – True
Global Imex
Trading, Inc.)***

- | | | | | |
|----|---|--|-----------------|---|
| 68 | Sub-Lease Agreement dated October 1, 2024 | This Sub-Lease Agreement sets forth the terms and conditions of the lease between the parties. | October 1, 2024 | Hann Philippines, Inc. (“ Lessor ”) and Yang |
|----|---|--|-----------------|---|

	between Hann Philippines, Inc. and Yang YS International Corporation	The period of the lease is 5 years starting on the date of turnover of the Leased Area.		YS International Corporation (“ Lessee ”)
	<i>(Lease Agreement – Juno Hair International Corporation)</i>			
69	Amended Sub-Lease Agreement dated February 3, 2025 between Hann Philippines, Inc. and Yang YS International Corporation	This Sub-Lease Agreement sets forth the terms and conditions of the lease between the parties. The period of the lease is 5 years starting on the date of turnover of the Leased Area.	February 3, 2025	Hann Philippines, Inc. (“ Lessor ”) and Yang YS International Corporation (“ Lessee ”)
	<i>(Lease Agreement – Juno Hair International Corporation)</i>			
70	Sub-lease Agreement between WILI and WPI within CDC for Clark Marriott Hotel	To sublease portion of the leased land along Lot 2-B, 2C, and 2E1, Building 5398 inside CDC for the development, operation, and maintenance of the Clark Marriott Hotel with an area of 5,447 sq. meters.	January 15, 2019	Widus International Leisure Inc (“ Lessor ”) and Widus Philippines, Inc. (“ Lessee ”)
	<i>(Sub-lease Agreement - Clark Marriott Hotel)</i>	Term of lease is from September 14, 2018 to September 3, 2023		
71	Amendment to the Sub-lease Agreement - Clark Marriott Hotel	To increase the land area sub-leased by an additional 4,505.81 sqm, with the total leased area as 9,952.81 sq. meters Term of lease is from July 15, 2021 to September 3, 2023	July 15, 2021	Widus International Leisure Inc (“ Lessor ”) and Widus Philippines, Inc. (“ Lessee ”)
72	Second Amendment to the Sub-lease Agreement - Clark Marriott Hotel	To reflect the change in corporate name of the parties Term of lease is from July 15, 2021 to September 3, 2023	Undated	Hann International Leisure Inc (“ Lessor ”) and Hann Philippines, Inc. (“ Lessee ”)
73	Renewal Sub-lease Agreement - Clark Marriott Hotel	To renew the Sub-lease Agreement - Clark Marriott Hotel by executing a new Sub-lease Agreement integrating the amendments made on the former with an area of 48,309.53 sq. meters	July 20, 2023	Hann International Leisure Inc (“ Lessor ”) and Hann Philippines, Inc. (“ Lessee ”)

		Term of lease is from September 14, 2023 to September 13, 2028		
74	Sub-lease Agreement between WILI and WPI within CDC for Swissotel Clark Philippines <i>(Sub-lease Agreement - Swissotel Clark Philippines)</i>	To sublease portion of the leased land located along Lot 2-A, 2B, and 2E1 within CDC for the establishment and operation of the Swissotel Clark Philippines with an area of 4,095.76 sq. meters. Term of lease is from August 4, 2021 to August 3, 2030	August 5, 2021	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
75	Amendment to the Sub-lease Agreement - Swissotel Clark Philippines	To reflect the change in corporate name of the parties Term of lease is from August 4, 2021 to August 3, 2030	February 10, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
76	Second Amendment to the Sub-lease Agreement - Swissotel Clark Philippines	To reflect the change in principal office addresses of the parties Term of lease is from August 4, 2021 to August 3, 2030	December 15, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
77	Third Amendment to the Sub-lease Agreement – Swissotel Clark Philippines	To reflect change in corporate name of HILI to WILI Term of lease is from August 4, 2021 to August 3, 2030	January 31, 2025	Widus International Leisure Inc. (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
78	Sub-lease Agreement between WILI and WPI within CDC for Retail Areas <i>(Sub-lease Agreement – Retail Areas)</i>	To sublease the portion of the leased land located along Lot 2-A, 2B, and 2E1 within CDC for the establishment and operation of the Retail Areas (now “8 th Avenue Lifestyle Mall”) with an area of 3,282.75 sq. meters. Term of lease is from August 4, 2021 to August 3, 2030	August 5, 2021	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
79	Amendment to the Sub-lease Agreement - Retail Areas	To reflect the change in corporate name of the parties Term of lease is from August 4 2021 to August 3, 2030	February 24, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
80	Second Amendment to the Sub-lease Agreement - Retail Areas (now	To reflect the change in principal office addresses of the parties and the change the name of the leased area from Retail Areas to 8 th Avenue Lifestyle Mall	December 15, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)

	“8 th Avenue Lifestyle Mall”)	Term of lease is from August 4, 2021 to August 3, 2030		
81	Sub-lease Agreement between WILI and WPI within CDC for WPI’s Casino Operations <i>(Sub-lease Agreement – WPI’s Casino Operations)</i>	To lease a portion of the Ground Floor of Building 5400, M.A. Roxas Highway, CFZ within CDC for WPI’s casino operations with an area of 3,500 sq. meters. Term of lease is from May 1, 2016 to April 30, 2021	April 12, 2016	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
82	Addendum to the Sub-lease Agreement - WPI’s Casino Operations	To lease an additional 586.94 sq.m. of Building 5400, with the total leased area of 4,084.94 sq. meters Term of lease is from April 25, 2018 to April 30, 2021	April 25, 2018	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
83	Addendum to the Sub-lease Agreement - WPI’s Casino Operations	To lease an additional 112 sq.m. of Building 5400, with the total leased area of 4,196.94 sq. meters Term of lease is from June 20, 2019 to April 30, 2021	June 20, 2019	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
84	Consolidated Sub-lease Agreement between WILI and WPI within CDC for WPI’s Casino Operations <i>(Consolidated Sub-lease Agreement – WPI’s Casino Operations)</i>	To renew and consolidate the Sub-lease Agreement and the Addenda, with the total leased area of 4,196.94 sq. meters Term of lease is from 1 May 2021 to 30 April 2024	January 7, 2021	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
85	Amendment to the Consolidated Sub-lease Agreement – WPI’s Casino Operations	To lease an additional 22,072.38 sq.m. of Lot 2-A, 2-B, and 2E1, M.A. Roxas Highway, CFZ within CDC for WPI’s casino operations and extend term of Sub-lease Agreement, with a total leased area of 26,269.32 sq. meters Term of lease is from August 5, 2021 to August 31, 2030	August 5, 2021	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
86	Second Amendment to the Consolidated Sub-lease	To reflect the change in corporate name of the parties	February 10, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)

	Agreement – WPI’s Casino Operations	Term of lease is from August 5, 2021 to August 31, 2030		
87	Third Amendment to the Consolidated Sub-lease Agreement – WPI’s Casino Operations	To reduce the leased area and to return the original 4196.94 sq.m. area to the Lessor, with a total leased area reduced to 22,072.38sq. meters Term of lease is from February 24, 2022 to August 31, 2030	February 24, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
88	Fourth Amendment to the Consolidated Sub-lease Agreement – WPI’s Casino Operations	To reflect the change in principal office addresses of the parties Term of lease is from December 15, 2022 to August 31, 2030	December 15, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
89	Supplemental Sub-lease Agreement with CDC for Chairman’s Villa (<i>Supplemental Sub-lease Agreement – Chairman’s Villa</i>)	To sub-lease a portion of Lot 2-D2 for the development, operation, and maintenance of the WPI’s Chairman Villa project to complement the casino operations within CDC with an area of 750 sq. meters Term of lease is from March 7, 2019 to April 30, 2021	March 7, 2019	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
90	Renewal of Supplemental Sub-lease Agreement – Chairman’s Villa	To renew the Supplemental Sub-lease Agreement – Chairman’s Villa before its expiration Term of lease is from 1 May 2021 to 30 April 2024	January 7, 2021	Widus International Leisure Inc (“Lessor”) and Widus Philippines, Inc. (“Lessee”)
91	First Amendment to Supplemental Sub-lease Agreement – Chairman’s Villa	To reflect the change in corporate name of the parties Term of lease is from February 24, 2022 to April 30, 2024	February 24, 2022	Hann International Leisure Inc (“Lessor”) and Hann Philippines, Inc. (“Lessee”)
92	Junket Agreement between Hann Philippines, Inc. and Pink Dolphin Limited (<i>Junket Agreement</i> – Pink Dolphin Limited)	This Junket Agreement sets forth the terms and conditions for the junket operations of Pink Dolphin Limited at the Hann Casino Resorts. The contract will only be valid for one (1) year from April 1, 2025 to March 31, 2026.	March 27, 2025	Hann Philippines, Inc. and Pink Dolphin Limited
93	Marketing Agreement between Hann	This Marketing Agreement sets forth the terms and conditions for engaging the services of Pink	March 20, 2025	Hann Philippines, Inc. and Pink Dolphin Limited

	Philippines, Inc. and Pink Dolphin Limited	Dolphin Limited in the recruitment of foreign nationals to play from overseas through HPI's video streaming program.		
	(Marketing Agreement – Pink Dolphin Limited)	The contract is valid for one (1) year from April 1, 2025 to March 31, 2026.		
94	Term Sheet for Sky Eagles Entertainment Corp.	This Term Sheet sets forth the terms and conditions for the junket operations of Sky Eagles Entertainment Corp. at the Hann Casino Resorts.	February 6, 2025	Hann Philippines, Inc. and Sky Eagles Entertainment Corp.
	(Term Sheet – Sky Eagles Entertainment Corp.)	The contract will only be valid for a maximum of one (1) year from January 18, 2025 to January 17, 2026.		
95	Junket Agreement between Hann Philippines, Inc. and Ex Solution LLC	This Junket Agreement sets forth the terms and conditions for the junket operations of Ex Solution LLC at the Hann Casino Resorts.	March 31, 2025	Hann Philippines, Inc. and Ex Solution LLC
	(Junket Agreement – Ex Solution LLC)	The contract will only be valid for a maximum of one (1) year starting from March 31, 2025 to March 30, 2026.		
96	Marketing Agreement between Hann Philippines, Inc. and Ex Solution LLC	This Marketing Agreement sets forth the terms and conditions for engaging the services of Ex Solution LLC in the recruitment of foreign nationals to play from overseas through HPI's video streaming program.	March 31, 2025	Hann Philippines, Inc. and Ex Solution LLC
	(Marketing Agreement – Ex Solution LLC)	The contract will only be valid for a maximum of one (1) year from March 31, 2025 to March 30, 2026.		

REGULATORY AND ENVIRONMENTAL MATTERS

The following description is a summary of certain laws and regulations in the Philippines, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice or a detailed review of the relevant laws and regulations.

GENERAL BUSINESS REGULATORY FRAMEWORK

Revised Corporation Code

Republic Act No. 11232, also known as the Revised Corporation Code (the “**Revised Corporation Code**”), was signed into law on February 20, 2019 and took effect on March 08, 2019. Among the salient features of the Revised Corporation Code are:

- Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Revised Corporation Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies the Philippine SEC that it elects to retain its specific corporate term under its current Articles of Incorporation.
- A corporation vested with public interest must submit to its shareholders and to the Philippine SEC an annual report of the total compensation of each of its directors or trustees, and a director or trustee appraisal or performance report and the standards or criteria used to assess each director, or trustee.
- Corporations vested with public interest must have at least 20.0% independent directors in the Board, in accordance with the Securities and Regulation Code.
- The Revised Corporation Code allows the creation of a “One Person Corporation”. However, it expressly prohibits public and publicly-listed companies, among others, from being incorporated as such. This restriction also applies with respect to incorporations as a Close Corporation.
- Material contracts between corporations vested with public interest and their own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.
- The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or in absentia if authorized by the corporate by-laws. However, as to corporations vested with public interest, these votes are deemed available, even if not expressly stated in the corporate by-laws. The shareholders who participate through remote communication or in absentia are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or in absentia, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option.
- As to the filing of the by-laws and any amendments made to the by-laws of any corporation governed by special laws, the Revised Corporation Code requires that a prior certificate of the appropriate government agency to the effect that such bylaws or amendments are in accordance with law, must be submitted.
- A favorable recommendation by the appropriate government agency is likewise required for corporations governed by special laws, before the Philippine SEC approves any merger or consolidation or any voluntary dissolution.
- In case of transfer of shares of listed companies, the Philippine SEC may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the Philippine SEC.

- The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock, incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

Foreign Investments Act of 1991

Republic Act No. 7042 or the Foreign Investments Act (“**FIA**”) provides that certain activities are nationalized or partly nationalized, such that the operation and/or ownership thereof are wholly or partially reserved for Filipinos. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Twelfth Negative List signed on June 27, 2022 (“**Negative List**”). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized or partly nationalized activities include, among others, land ownership, retail trade, condominium ownership, telecommunications, mining and the operation of public utilities as the term is defined under the Public Service Act, as amended. The FIA was amended by Republic Act No. 8179, which was signed into law on March 28, 1996, and was again amended by Republic Act No. 11647, which was signed into law on March 2, 2022 and took effect on March 17, 2022.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. Thus, landholding companies may have a maximum of 40% foreign equity.

As of the date of this Prospectus, the Issuer does not own any parcel of land in the Philippines.

While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%. A corporation with more than 40% foreign equity may be allowed to lease land for a period of 25 years, renewable for another 25 years. However, under Republic Act No. 7652, otherwise known as the Investors’ Lease Act, a corporation with more than 40% foreign equity investing in the Philippines may be allowed to lease private lands for a period of 50 years, renewable once for a period of not more than 25 years, provided that the lease is for purposes of and in connection with the establishment of industrial estates, factory, assembly or processing plant, agro-industrial enterprises, land development for tourism, industrial, or commercial use and/or other similar priority productive endeavors.

On May 20, 2013, the Philippine SEC issued Memorandum Circular No. 8, Series of 2013, which provided the guidelines on compliance with the Filipino-Foreign ownership requirements under the Philippine Constitution and other existing laws by corporations engaged in nationalized or partly nationalized activities (“**Guidelines**”). The Guidelines provide that for purposes of determining compliance with the foreign equity restrictions in nationalized corporations, the required percentage of Filipino ownership shall be applied to both (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. The continuing validity of this Memorandum Circular was affirmed by the Supreme Court in the 2016 case of *Jose M. Roy v. Teresita Herbosa, et. al* (G.R. No. 207246, November 22, 2016).

For the purpose of complying with nationality laws, the term “**Philippine National**” is defined under the Foreign Investments Act as any of the following:

- a citizen of the Philippines;
- a domestic partnership or association wholly owned by citizens of the Philippines;
- a corporation organized under the laws of the Philippines of which at least 60.0% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code of the Philippines, of which 100.0% of the capital stock outstanding and entitled to vote is wholly owned by Filipinos; or
- a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60.0% of the fund will accrue to the benefit of Philippine Nationals.

Registration of Foreign Investments and Exchange Controls

Under current BSP regulations, an investment in Philippine securities (such as the Offer Shares) funded by inward remittance must be registered with the BSP if the foreign exchange needed to service the repatriation of capital and/or the remittance of dividends, profits and earnings derived from such shares is to be sourced from the Philippine banking system. If the foreign exchange required to service capital repatriation or dividend remittance will be sourced outside the Philippine banking system, registration with the BSP is not required. BSP Circular No. 471 issued on January 24, 2005 subjects foreign exchange dealers and money changers to RA No. 9160 (the Anti-Money Laundering Act of 2001, as amended) and requires these non-bank sources of foreign exchange to require foreign exchange buyers to submit supporting documents in connection with their application to purchase foreign exchange for purposes of capital repatriation and remittance of dividends.

Registration of Philippine securities listed in the PSE may be done directly with a custodian bank duly designated by the foreign investor. A custodian bank may be a universal or commercial bank or an offshore banking unit registered with the BSP to act as such and appointed by the investor to register the investment, hold shares for the investor, and represent the investor in all necessary actions in connection with his investments in the Philippines.

Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. Capital repatriation of investments in listed securities is permitted upon presentation of the BSP registration document (“BSRD”) or BSRD Letter-Advice from the registering custodian bank and the broker’s sales invoice, at the exchange rate prevailing at the time of purchase of the foreign exchange from the banking system. Remittance of dividends is permitted upon presentation of: (1) the BSRD or BSRD Letter-Advice; (2) the cash dividends notice from the PSE and the Philippine Depository and Trust Corporation (formerly the Philippine Central Depository) showing a printout of cash dividend payment or computation of interest earned; (3) the copy of the corporate secretary’s sworn statement attesting to the board resolution covering the dividend declaration and (4) the detailed computation of the amount applied for in the format prescribed by the BSP. For direct foreign equity investments, the latest audited financial statements or interim financial statements of the investee firm covering the dividend declaration period need to be presented in addition to the documents enumerated above. Pending reinvestment or repatriation, divestment proceeds, as well as dividends of registered investments, may be lodged temporarily in interest-bearing deposit accounts. Interest earned thereon, net of taxes, may also be remitted in full. Remittance of divestment proceeds or dividends of registered investments may be reinvested in the Philippines if the investments are registered with the BSP or the investor’s custodian bank.

The foregoing is subject to the power of the BSP, with the approval of the President of the Philippines, to suspend temporarily or restrict the availability of foreign exchange, require licensing of foreign exchange transactions or require delivery of foreign exchange to the BSP or its designee during a foreign exchange crisis, when an exchange crisis is imminent, or in times of national emergency. Furthermore, there can be no assurance that the foreign exchange regulations issued by the BSP will not be made more restrictive in the future.

The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor.

Philippine Competition Act and its Implementing Rules and Regulations.

Republic Act No. 10667 or the Philippine Competition Act (“PCA”) came into effect August 5, 2015 and is the primary competition law in the Philippines.

Any person, whether natural or juridical, sole proprietorship, partnership, or a combination or association in any form, whether incorporated or not, domestic or foreign, including those owned or controlled by the government, shall be covered by the Republic Act No. 10667 or Philippine Competition Act (“PCA”) as long as they are engaged directly or indirectly in any economic activity. This extends to those engaged in industry or commerce that has a direct, substantial, and reasonably foreseeable effect in the Philippines, including those that result from acts done outside the territory of the Philippines.

The Philippine Competition Commission (“PCC”), either on its own action or upon notification by the parties, shall have the power to review mergers and acquisitions, including joint venture agreements, having a direct, substantial, and reasonably foreseeable effect on trade, industry, or commerce in the Philippines. Merger or acquisition agreements that substantially prevent, restrict, or lessen competition in the relevant market are prohibited.

The PCA prohibits and imposes sanctions on:

- (a) anti-competitive agreements between or amongst competitors that restrict competition as to price or other terms of trade and those fixing price at an auction or in any form of bidding including cover bidding, bid suppression, bid rotation and market allocation and other analogous practices of bid manipulation; and those which have the object or effect of substantially preventing, restricting or lessening competition;
- (b) practices which are regarded as abuse of dominant position by engaging in conduct that would substantially prevent, restrict or lessen competition; and mergers or acquisitions which substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services.

Effective March 1, 2025, parties to a merger or acquisition agreement are required to provide notification to the PCC when (a) the *Size of Party* or the aggregate annual gross revenues in, into, or from the Philippines, or value of the assets in the Philippines of the ultimate parent entity (“UPE”) (i.e., the juridical entity that, directly or indirectly, controls a party to the transaction, and is not controlled by any other entity) of at least one of the acquiring or acquired entities, including that of all entities that the UPE controls, directly or indirectly, exceeds Eight Billion Five Hundred Thousand Pesos (₱8,500,000,000.00); and (b) the *Size of Transaction* or the value of the transaction, as determined under Rule 4, Section 3(b) of the PCA IRR, exceeds Three Billion Five Hundred Million Pesos (₱3,500,000,000.00). Parties to a merger or acquisition that satisfy the thresholds above are prohibited from consummating their agreement until thirty (30) days after providing the required notification to the PCC. They are required to notify the PCC before the execution of the definitive agreements relating to the transaction.

In the formation of a joint venture (other than in connection with a merger or consolidation), the contributing entities shall be deemed acquiring entities, and the joint venture shall be deemed the acquired entity. A joint venture may be formed (i) by either incorporating a joint venture company, (ii) entering into a contractual joint venture or (iii) by acquiring shares in an existing corporation. In determining whether an acquisition of shares in a corporation constitute a joint venture or an acquisition of shares, it must be examined if joint control will exist between or among the new and existing joint venture partners.

Generally, a proposed joint venture meets the size of the party test when the aggregate annual gross revenues in, into or from the Philippines or value of assets in the Philippines of the ultimate parent entity of at least one of the acquiring entity or acquired entities, including that of all entities that the ultimate parent entity controls, direct or indirectly exceeds Eight Billion Five Hundred Thousand Pesos (₱8,500,000,000.00) and the aggregate value of the joint venture partners’ assets that will be combined in the Philippines or contributed into the proposed joint venture should exceed Three Billion Five Hundred Million Pesos (₱3,500,000,000.00) or the gross revenues generated in the Philippines by assets to be combined in the Philippines or contributed into the proposed joint venture exceeds Three Billion Five Hundred Million Pesos (₱3,500,000.00. In determining the assets of the joint venture, the following shall be included:

- a) All assets which the joint venture partners agreed to transfer, or for which agreements have been secured for the joint venture to obtain at any time, whether or not such entity is subject to the requirements of the PCA; and
- b) Any amount of credit or any obligations of the joint venture which a contributing entity has agreed to extend or guarantee shall also be included in the aggregate contribution.

If the PCC determines that an agreement is prohibited under the PCA and does not qualify for exemption, the PCC is given the power to:

- a) Prohibit the implementation of the agreement;
- b) Prohibit the implementation of the agreement unless and until it is modified by changes specified by the PCC; and
- c) Prohibit the implementation of the agreement unless and until the pertinent party or parties enter into legally enforceable agreements specified by the PCC.

Prohibited merger or acquisition agreements may be exempt from prohibition by the PCC when the parties establish either of the following:

- a) The concentration has brought about or is likely to bring about gains in efficiencies that are greater than the effects of any limitation on competition that result or likely to result from the merger or acquisition agreement; or
- b) A party to the merger or acquisition agreement is faced with actual or imminent financial failure, and the agreement represents the least anti-competitive arrangement among the known alternative uses for the failing entity's assets.

An entity shall not be prohibited from continuing to own and hold the stock or other share capital or assets of another corporation which it acquired prior to the approval of the PCA or acquiring or maintaining its market share in a relevant market through such means without violating the provisions of the PCA.

Furthermore, the acquisition of the stock or other share capital of one or more corporations solely for investment and not used for voting or exercising control and not to otherwise bring about, or attempt to bring about the prevention, restriction, or lessening of competition in the relevant market shall not be prohibited.

On November 22, 2017, the PCC published the 2017 Rules on Merger Procedures (“**Merger Rules**”) which provides the procedure for the review or investigation of mergers and acquisition pursuant to the PCA. The Merger Rules provides, among others, that parties to a merger that meet the thresholds in Section 3 of Rule 4 of the IRR are required to notify the PCC within 30 days from the signing of definitive agreements relating to the notifiable merger.

In the event that transactions imbued with high public interest do not meet the thresholds, the PCC may still launch a *motu proprio* investigation in the interest of consumer protection. Parties may not consummate a notifiable transaction prior to receiving PCC approval or the lapse of the period stated in the Merger Rules.

Under the PCA and the IRR, a transaction that meets the thresholds and does not comply with the notification requirements and waiting periods shall be considered void and will subject the parties to an administrative fine of 1% to 5% of the value of the transaction.

Merger or acquisition agreements that substantially prevent, restrict or lessen competition in the relevant market or in the market for goods or services as may be determined by the PCC are prohibited. Parties and their ultimate parent entities found to have entered into prohibited mergers may be imposed fines of up to ₱110 million to ₱275 million.

Criminal penalties for entities that enter into these defined anti-competitive agreements include: (i) a fine of not less than ₱50 million but not more than ₱250 million; and (ii) imprisonment for two to seven years for directors and management personnel who knowingly and wilfully participate in such criminal offenses. Administrative fines of ₱110 million to ₱275 million may be imposed on entities found violating prohibitions against anti-competitive agreements and abuse of dominant position. Treble damages may be imposed by the PCC or the courts, as the case may be, where the violation involves the trade or movement of basic necessities and prime commodities.

On January 19, 2021, the PCC issued Memorandum Circular No. 21-001 adjusting the schedule of fines for violations of the Merger Rules. Administrative fines may now amount to up to ₱275 million. Commitment of acts such as, failure to comply with a ruling, order, or decision of the PCC or the disclosure, publication, transfer, copying or dissemination of confidential information may amount to a fine of ₱55,000 up to ₱2.2 million.

Data Privacy Act of 2012

Republic Act No. 10173, otherwise known as the Data Privacy Act (the “**Data Privacy Act**”), protects all forms of information, be it private, personal, or sensitive. It applies to any natural or juridical persons involved in processing of information (which refers to any operation or any set of operations performed upon personal data including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data), whether in the government or private sector, and whether in or outside the Philippines.

The law defines “personal information” as any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the

information, or when put together with other information would directly and certainly identify an individual. On the other hand, sensitive personal information refers to personal information:

- a) About an individual's race, ethnic origin, marital status, age, color, and religious, philosophical or political affiliations;
- b) About an individual's health, education, genetic or sexual life of a person, or to any proceeding for any offense committed or alleged to have been committed by such person, the disposal of such proceedings, or the sentence of any court in such proceedings;
- c) Issued by government agencies peculiar to an individual which includes, but not limited to, social security numbers, previous or current health records, licenses or its denials, suspension or revocation, and tax returns; and
- d) Specifically established by an executive order or an act of the Philippine Congress to be kept classified.

The personal information must be, (a) collected for specified and legitimate purposes determined and declared before, or as soon as reasonably practicable after collection, and later processed in a way compatible with such declared, specified and legitimate purposes only, (b) processed fairly and lawfully; (c) accurate, relevant, and where necessary for purposes for which it is to be used the processing of personal information, kept up to date; inaccurate or incomplete data must be rectified, supplemented, destroyed or their further processing restricted; (d) adequate and not excessive in relation to the purposes for which they are collected and processed; (e) retained only for as long as necessary for the fulfillment of the purposes for which the data was obtained or for the establishment, exercise or defense of legal claims, or for legitimate business purposes, or as provided by law; and (f) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data were collected and processed.

In general, the processing of sensitive personal information and privileged information is prohibited except where: (1) the data subject has given his or her consent, specific to the purpose prior to the processing, or in the case of privileged information, all parties to the exchange have given their consent prior to processing; (2) the processing is provided for by existing laws and regulations; (3) the processing is necessary to protect the life and health of the data subject or another person, and the data subject is not able to give consent; (4) the processing is carried out for limited non-commercial purposes by public organizations and their associations; (5) the processing is necessary for purposes of medical treatment, is carried out by a medical practitioner or a medical treatment institution, and an adequate level of protection of personal information is ensured; or (6) the processing is necessary for court proceedings or legal claims, or is provided to the government or a public authority.

Under the Data Privacy Act, the appointment of a Data Protection Officer (“DPO”) is a legal requirement for all personal information controllers (“PICs”) and personal information processors (“PIPs”). The DPO is accountable for ensuring the company's compliance with all data privacy and security laws and regulations.

A PIC may be a natural or juridical person who exercises control over the processing of personal data and furnishes instructions to another person or entity to process personal data on its behalf. A PIP on the other hand, refers to a person or body instructed or outsourced by a PIC to engage in the processing of the personal data of a data subject.

The PIC or PIP that employs fewer than 250 persons shall not be required to register unless the processing it carries out is likely to pose a risk to the rights and freedoms of data subjects, the processing is not occasional, or the processing includes sensitive personal information of at least 1,000 individuals.

The Tax Incentives Management and Transparency Act

Republic Act No. 10708, otherwise known as “The Tax Incentives Management and Transparency Act”, aims to promote fiscal accountability and transparency in the grant and management of tax incentives by the government to private sector.

The law requires registered business entities enjoying fiscal incentives to electronically file and pay their annual tax returns with the BIR each year. They are also required to file with their respective Investment Promotion Agency a complete annual tax incentives report of income-based tax incentives, VAT and duty exemptions, deductions, credits, or exclusions from the tax base within 30 days from the statutory deadline for filing of tax returns and payment of taxes. The relevant Investment Promotion Agency, in turn, is required to make a consolidated annual tax incentives report that will be submitted to the BIR or Bureau of Customs (“BOC”). The

Department of Finance will then utilize the information submitted by the BIR and BOC in creating and maintaining a single database for monitoring and analysis of tax incentives granted.

The National Economic and Development Authority is likewise required to conduct a cost-benefit analysis of the investment incentives to determine the impact of tax incentives on the Philippine economy based on the information provided by the relevant Investment Promotion Agencies.

Under the law, the BIR and Bureau of Customs have the right to conduct assessment within the prescribed period provided in the National Internal Revenue Code, as amended, and the Tariff and Customs Code of the Philippines, as amended, respectively.

Non-compliance with this law will cause an imposition ₱100,000.00 for the first violation, ₱500,000.00 for the second violation, and revocation of registration for the third violation.

The Bases Convention and Development Act and Executive Order No. 80, series of 1993

Republic Act No. 7227, as amended by Republic Act Nos. 9400, also known as the Bases Conversion and Development Act of 1992 (“**Bases Conversion and Development Act**”) created the Bases Conversion and Development Authority (“**BCDA**”) tasked to implement the government policy of accelerating the sound and balanced conversion of the Clark and Subic military reservations and their extensions into other into other productive uses to promote the economic and social development; to raise funds by the sale of portions of Metro Manila military camps; and to apply said funds for the development and conversion to productive civilian use of the lands covered under the 1947 Military Bases Agreement between the Philippines and the United States.

The Bases Conversion and Development Act also authorized the creation, by executive proclamation, of:

1. a Special Economic Zone covering the lands occupied by the Clark military reservations and its contiguous extensions as embraced, covered and defined by the 1947 Military Bases Agreement between the Philippines and the United States, which are located within Angeles City as well as the Municipalities of Mabalacat and Porac in Pampanga, and the Municipality of Capas in Tarlac; and
2. the governing body of the Clark Special Economic Zone.

By virtue of Executive Order No. 80 effective 03 April 1993, the CDC, a subsidiary corporation of the BCDA, was established to function as the operating and implementing arm of the BCDA to manage the Clark Special Economic Zone. Executive Order No. 80 also vested upon the BCDA the mandate of promulgating all necessary policies, rules and regulations governing the Clark Special Economic Zone, including investment incentives, in consultation with the local government units and pertinent government departments for implementation by the CDC.

While the local autonomy of the local government units is generally retained and duly recognized, Executive Order No. 80 expressly lays down the rule that, in case of conflict between the CDC and the local government units concerned on matters affecting the Clark Special Economic Zone other than defense and security, the decision of the CDC shall prevail. For a discussion on the incentives granted to registered business enterprises, please refer to the section on “*Philippine Taxation*” on page 227 of this Prospectus.

At the inception of the BCDA and the CDC, the guiding vision of the government in the conversion of Clark was to create an international civil aviation complex alongside a modern industrial estate and tourism, trade, and business center for Luzon and Asia. Since its establishment in 1992, the BCDA continues to establish integrated developments, dynamic business centers, and vibrant communities to spur economic growth and opportunities in the Philippines. The BCDA has entered into multiple public-private partnerships for infrastructure projects, particularly those involving tollways, airports, seaports, and major real estate developments. In its over three decades of existence, the BCDA has successfully attracted investments which facilitate job creation for Filipinos and drive the growth of the economy. At present, Clark is being developed to become the next investment center in Asia.

The Special Economic Zone Act

Republic Act No. 7916, as amended by Republic Act No. 8748, also known as The Special Economic Zone Act of 1995 (“**Special Economic Zone Act**”) created a government agency attached to the Department of Trade and

Industry (“DTI”) named the Philippine Economic Zone Authority (“PEZA”) to create, operate, administer, and coordinate special economic zones (“Ecozones”) in the Philippines.

In the performance of its functions, the PEZA promotes investments, ensures ease of doing business, extends support and assistance pre- and post-business setup, and grants incentives to and facilitates business operations of investors in export-oriented manufacturing and service facilities (i.e., facilities where export sales comprise at least 70% of the total sales) inside selected areas throughout the Philippines proclaimed by the President of the Philippines as PEZA Ecozones. The PEZA also exempts investors from local government unit and other agencies’ permits and provides a one-stop-shop and nonstop-shop to help investors avoid red tape and lengthy paperwork procedures.

A domestic subsidiary or branch office engaged in manufacturing, processing or assembling for export as well as those activities that support exports, Information Technology (“IT”) / Business Process Outsourcing (“BPO”) services, tourism, medical tourism agro-industrial as well as supporting industries such as utilities and facilities providers are eligible to register with PEZA.

As of June 2024, the PEZA manages 426 Ecozones, consisting of 79 Manufacturing Ecozones, 303 IT Parks/Centers, 17 Tourism Export Enterprises, 24 Agro-Industrial Ecozones, and three Medical Tourism Parks/Centers.

For a discussion on the incentives granted to registered business enterprises, please refer to the section on “*Philippine Taxation*” on page 227 of this Prospectus.

REGULATION OF GAMING IN THE PHILIPPINES

Nationality Restriction (Republic Act No. 7042)

The Negative List issued pursuant to the FIA provides that foreign equity participation in a company conducting any form of gambling is limited to 40.0% of that company’s outstanding capital stock, unless those covered by an investment agreement with PAGCOR. In addition, foreign companies are also allowed to locate and operate in a special economic zone administered by Investment Promotion Agencies like PEZA and CDC. See “Philippine Foreign Exchange and Foreign Ownership Controls.”

General Prohibition Against Gambling

Gambling is illegal in the Philippines (Article 195 to 199, Revised Penal Code). Betting and game fixing is penalized under Presidential Decree No. 483. Presidential Decree No. 1602 prescribes stiffer penalties on illegal gambling. Republic Act No. 9287 increased the penalties for illegal number games. Casino and gaming authorized under the PAGCOR Charter is an exception to this general prohibition.

PAGCOR Charter

PAGCOR is a government-owned and controlled corporation under the Office of the President, established to regulate gambling in the Philippines. PAGCOR was established under Presidential Decree No. 1067-A on January 1, 1977 to operate a floating casino. That Decree was amended several times to expand the authority and functions of PAGCOR. The various amendments were later consolidated under P.D. No. 1869, otherwise known as the PAGCOR Charter.

Among the authorities granted to PAGCOR under its Charter were:

- to regulate, authorize and license games of chance, games of cards and games of numbers, particularly casino gaming, in the Philippines (this includes licensing all employees involved in the gaming business, and approving the importation of gambling paraphernalia);
- to generate revenues for the Philippine Government’s socio-civic and national development programs (PAGCOR is the third largest revenue-generating agency of the Philippine government, next to the Bureau of Internal Revenue and the Bureau of Customs); and
- to help promote the Philippine tourism industry.

In June 2007, Congress through Republic Act No. 9487 extended the corporate life of PAGCOR by 25 years, renewable for another 25 years. In addition, the following amendments were made to the PAGCOR Charter:

- PAGCOR was authorized to enter into agreements, including investment and joint venture, with any person, firm, association or corporation. (This has been interpreted to mean that PAGCOR can issue licenses for operation of casinos by private entities.)
- consent of the local government authority that has territorial jurisdiction over the area chosen as site for any of PAGCOR's operations is required;
- exclusion of jai alai from PAGCOR jurisdiction; and
- gaming activities covered by other existing franchises, regulatory bodies or special laws were excluded from the regulatory authority of PAGCOR. (Thus PAGCOR has no authority over lotto and sweepstakes which are under the Philippine Charity and Sweepstakes Office, gaming inside Cagayan Export Zone which is under Cagayan Export Zone Authority, cockfighting regulated under P.D. No. 449, and horse racing under R.A. No. 954 as amended by R.A. No. 3063).

PAGCOR operates nine casinos collectively called "Casino Filipino," strategically located in major cities, two within Metro Manila, three in other parts of Luzon, one in Cebu, one in Bacolod, one in Iloilo and one in Davao City.

The PAGCOR Charter grants a broad tax exemption to PAGCOR as part of its franchise. Specifically, Section 13(2)(a) of the PAGCOR Charter provides that: "No tax of any kind or form, income or otherwise, as well as fees, charges or levies of whatever nature, whether National or Local, shall be assessed and collected under this Franchise" from PAGCOR, except for a 5.0% franchise tax on its gross revenues. Section 13(2)(b) of the PAGCOR Charter extends the tax exemption to corporations, associations, agencies, or individuals with whom PAGCOR or its designated operator has any contractual relationship in connection with the operations of the casinos, and to those receiving compensation or other remuneration from PAGCOR or its operator as a result of essential facilities furnished and/or technical services rendered to PAGCOR or its operator. These provisions, according to the Supreme Court in *Commissioner of Internal Revenue v. Acesite (Philippines) Hotel Corporation*, (G.R. No. 147295, February 16, 2007), "clearly gives PAGCOR a blanket exemption to taxes with no distinction on whether the taxes are direct or indirect." There the Supreme Court affirmed the findings of the Court of Tax Appeals that: "PAGCOR is undoubtedly exempt from such taxes because the law exempts from taxes persons or entities contracting with PAGCOR in casino operations."

The PAGCOR Income Tax Decision, promulgated on March 15, 2011, upheld this exemption from value added tax. But the Supreme Court further ruled that PAGCOR's exemption from corporate income tax was removed when Republic Act No. 9337 amended Section 27I of the National Internal Revenue Code of 1997 (the "Tax Code") by excluding PAGCOR from the enumeration of government-owned and controlled corporation exempted from corporate income tax. PAGCOR and BIR motions for reconsideration of this decision were denied by the Supreme Court on May 31, 2011. In December 2011, PAGCOR paid BIR a part of the income tax amount being assessed by the BIR.

It is noted however that the amendment to the Tax Code removing PAGCOR from the list of government- owned and controlled corporations exempt from paying corporate income tax did not amend the broad exemption in the PAGCOR Charter. That decision did not touch the issue concerning the tax exemption of the contracting parties of PAGCOR covered by Section 13(2)(b) of the PAGCOR Charter which was recognized by the Court in the *Acesite* case.

In 2014, the Supreme Court, in *Philippine Amusement and Gaming Corporation vs. the Bureau of Internal Revenue* (G.R. No. 215427, December 10, 2014), gave clarity on its decision in 2011. The Court upheld as valid and constitutional Section 1 of R.A. No. 9337, amending Section 27(c) of R.A. No. 8424, removing PAGCOR's from the enumeration of GOCCs exempted from corporate income tax. The decision further clarified that:

1. PAGCOR's tax privilege of paying five percent (5%) franchise tax in lieu of all other taxes with respect to its income from gaming operations, pursuant to P.D. 1869, as amended, is not repealed or amended by Section 1(c) of R.A. No. 9337;

2. PAGCOR's income from gaming operations is subject to the five percent (5%) franchise tax only; and
3. PAGCOR's income from other related services is subject to corporate income tax only. These are later affirmed in 2017 in the Supreme Court case of Philippine Amusement and Gaming Corporation vs. The Commissioner of Internal Revenue (G.R. Nos. 210689-90, November 22, 2017).

Anti-Money Laundering Act

Republic Act No. 9160, as amended, or the Philippine Anti-Money Laundering Act of 2001 ("AMLA"), proscribes any act where the proceeds of an unlawful activity are transacted, making such proceeds appear to have originated from legitimate sources. Under the AMLA, money laundering is committed by:

- (a) any person knowing that any monetary instrument or property represents, involves, or relates to, the proceeds of any unlawful activity, transacts said monetary instrument or property. The penalty for this act is imprisonment ranging from seven to 14 years and a fine of not less than ₱3,000,000 but not more than twice the value of the monetary instrument or property involved in the offense;
- (b) any person knowing that any monetary instrument or property represents, involves or relates to the proceeds of any unlawful activity, converts, transfers, disposes of, moves, acquires, possesses or uses said monetary instrument or property. The penalty for this act is imprisonment from seven to 14 years and a fine of not less than ₱3,000,000 but not more than twice the value of the monetary instrument or property involved in the offense;
- (c) any person knowing that any monetary instrument or property represents, involves or relates to the proceeds of any unlawful activity, conceals or disguises the true nature, source, location, disposition, movement or ownership of or rights with respect to said monetary instrument or property. The penalty for this act is imprisonment ranging from seven to 14 years and a fine of not less than ₱3,000,000 but not more than twice the value of the monetary instrument or property involved in the offense;
- (d) any person knowing that any monetary instrument or property represents, involves or relates to the proceeds of any unlawful activity, attempts or conspires to commit money laundering offenses referred to in paragraphs (a), (b) or (c). The penalty for this act is imprisonment ranging from seven to 14 years and a fine of not less than ₱3,000,000 but not more than twice the value of the monetary instrument or property involved in the offense;
- (e) any person knowing that any monetary instrument or property represents, involves or relates to the proceeds of any unlawful activity, aids, abets, assists in or counsels the commission of the money laundering offenses referred to in paragraphs (a), (b) or (c) above. The penalty for this act is imprisonment from four to seven years and a fine of not less than ₱1,500,000.00 but not more than ₱3,000,000.00;
- (f) any person knowing that any monetary instrument or property represents, involves or relates to the proceeds of any unlawful activity, performs or fails to perform any act as a result of which he facilitates the offense of money laundering referred to in paragraphs (a), (b) or (c) above. The penalty for this act is imprisonment from four to seven years and a fine of not less than ₱1,500,000.00 but not more than ₱3,000,000.00; 141
- (g) any covered person who, knowing that a covered or suspicious transaction is required under this Act to be reported to the Anti-Money Laundering Council (AMLC), fails to do so. The penalty for this act is imprisonment from six months to four years or a fine of not less than ₱100,000.00 but not more than ₱500,000.00, or both. Generally, an unlawful activity under the AMLA refers to various felonies and violations of the Revised Penal Code of the Philippines, other penal laws, as well as felonies or offenses of a similar nature that are punishable under the penal laws of other countries.

Under the AMLA, a "covered person" refers to:

- (a) banks, non-banks, quasi-banks, trust entities, and foreign exchange dealers, pawnshops, money changers, remittance and transfer companies and other similar entities and all other persons and their subsidiaries and affiliates supervised or regulated by the BSP;

- (b) insurance companies, pre-need companies and all other persons supervised or regulated by the Philippine Insurance Commission;
- (c) (1) securities dealers, brokers, salesmen, investment houses and other similar entities managing securities or rendering services as investment agent, advisor, or consultant; (2) mutual funds, close end investment companies, common trust funds, pre-need companies and other similar persons; and (3) other entities administering or otherwise dealing in currency, commodities or financial derivatives based thereon, valuable objects, cash substitutes and other similar monetary instruments or property supervised or regulated by the SEC;
- (d) jewelry dealers in precious metals, who, as a business, trade in precious metals, for transactions in excess of ₱1,000,000.00;
- (e) jewelry dealers in precious stones, who, as a business, trade in precious stones, for transactions in excess of ₱1,000,000.00;
- (f) company service providers which, as a business, provide any of the following services to third parties: (i) acting as a formation agent of juridical persons; (ii) acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons; (iii) providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement; and (iv) acting as (or arranging for another person to act as) a nominee shareholder for another person;
- (g) persons who provide any of the following services: (i) managing of client money, securities or other assets; (ii) management of bank, savings or securities accounts; (iii) organization of contributions for the creation, operation or management of companies; and (iv) creation, operation or management of juridical persons or arrangements, and buying and selling business entities;
- (h) casinos, including internet and ship-based casinos, with respect to their casino cash transactions related to their gaming operations; and
- (i) real estate brokers and developers.

The types of transactions to which the AMLA applies are divided into two groups:

- (a) covered transactions, which pertains to all transactions in cash or other equivalent monetary instrument involving a total amount in excess of ₱500,000 within one banking day; for covered persons under Section 3(a)(8) or casinos, a single casino transaction involving an amount in excess of ₱5.0 million or its equivalent in any other currency; and
- (b) suspicious transactions, which generally refer to transactions of dubious nature, regardless of the amount involved.

In general, covered persons are obliged to establish and identify the true identity of its customers as well as report all covered transactions to the Anti-Money Laundering Council within five (5) working days from occurrence thereof, unless the supervising authority concerned prescribes a longer period, which period shall not exceed fifteen (15) working days. Casinos, on the other hand, shall report to the Anti-Money Laundering Council all covered transactions and suspicious transactions within five (5) working days, unless the Anti-Money Laundering Council prescribes a different period not exceeding fifteen (15) working days, from the occurrence thereof. Covered Persons are obligated to implement appropriate systems of collecting and recording identification information and identification documents, and shall implement and maintain a system of verifying the true identity of their clients, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted, and provided by the customer, using reliable and independent sources, documents, data, or information. All records of transactions and records of closed accounts are required to be maintained and stored for five years from the date of a transaction or after their closure, respectively

REGULATION OF TOURISM IN THE PHILIPPINES

Philippine Tourism Act

Republic Act No. 9593, or the *Philippine Tourism Act of 2009*, requires primary tourism enterprises, such as accommodation establishments (e.g. hotels and resorts), to secure accreditation from the Department of Tourism (“DOT”). A DOT Certificate of Accreditation is a precondition to the issuance by the pertinent local government unit of a license or permit to operate a primary tourism enterprise. Moreover, only accredited enterprises are entitled to participate in the DOT’s promotional, training, and other programs.

The Philippine Tourism Act of 2009 also created the Tourism Infrastructure Enterprise Authority (“TIEZA”), which is mandated to develop, regulate and supervise tourism enterprise zones (“TEZs”) established under the law and to develop, manage, and supervise tourism infrastructure projects in the Philippines. The fiscal incentives that may be granted to a tourism enterprise include (1) income tax holiday for six years, which may be extended for another six-year period provided that prior to the expiration of the first six-year period, the registered enterprise will undertake as expansion or upgrade of its facilities amounting to at least 50% of the original investment, (2) tax rate of 5% of gross income in lieu of all national internal revenue taxes, fees and assessments except real estate taxes and such fees as may be imposed by TIEZA, (3) exemption from taxes and custom duties on importation of capital investment and equipment directly and actually needed and used exclusively by the registered enterprise in its registered activity, and (4) tax credit equivalent to all national internal revenue taxes paid (such as VAT) on all locally sourced goods and services directly or indirectly used by the registered enterprise for services actually rendered within the TEZ. As a response to the COVID-19 pandemic, the DOT has issued Administrative Order No. 2020-002 or the Guidelines on the Operations of Hotels and other Accommodation Establishments under a Community Quarantine. Under the same, accommodation establishments, including hotels and resorts that intend to commence commercial operations in community quarantine zones are required to secure a DOT Certificate of Authority to Operate prior to any operations. Commencement of operations without a DOT Certificate of Authority to Operate may subject such accommodation establishment to the relevant parties under applicable laws, rules, and regulations. Such requirement shall be imposed for as long as areas in the Philippines remain in community quarantine.

Open Skies Executive Order

The President of the Philippines issued Executive Order No. 29 liberalizing international aviation on March 14, 2011. Pursuant to this order, the Civil Aeronautics Board (“CAB”) may grant any foreign air carrier an increase in its frequency of use and/or allotted capacity in any Philippine airport other than the Ninoy Aquino International Airport. Local carriers have objected to Executive Order No. 29 on the ground that the new policy it embodies fails to consider that foreign carriers are being granted expanded rights to operate in Philippine territory without Philippine carriers receiving reciprocal rights in the home countries of these foreign carriers.

Accreditation of Tourism Establishments by the Department of Tourism

Under CDC Memorandum Circular No. TFD-16-11-53, issued on November 10, 2016, CDC-registered tourism enterprises in Clark must obtain DOT accreditation. Such accreditation is mandatory for primary tourism enterprises while secondary tourism enterprises are encouraged to secure voluntary DOT accreditation. As such, the CDC and DOT shall jointly conduct the following activities:

- Regular site inspection and monitoring of facilities and services within Clark Freeport Zone (“CFZ”) or Clark Special Economic Zone (“CSEZ”) to espouse compliance with the national system of standards of accreditation and classification;
- Formulate and implement programs on tourism development in CFZ/CSE, particularly in the regulation, accreditation and monitoring of the implementation of the national tourism standards, rules and regulations governing the operation and activities of tourism enterprises;
- Regular collection of tourism statistical data such as visitor arrivals, hotel occupancy rate, average length of stay; and if available, data on demographics and profile of visitors in Clark from tourism enterprises on a regular basis for tourism planning purposes.
- Conduct related consultations, seminars and trainings for tourism enterprises and such other guidelines as maybe promulgated from time to time.

ENVIRONMENTAL LAWS

Environmental Impact Statement System

Projects relating to resource exploration and extraction are required to comply with the Philippine Environmental Impact Statement System (“**EIS System**”). The EIS System was established by virtue of P.D. 1586 entitled “Establishing An Environmental Impact Statement System, Including Other Environmental Management Related Measures And For Other Purposes,” issued in 1978. The EIS System requires all government agencies, government owned or controlled corporations and private companies to prepare an Environmental Impact Assessment (“**EIA**”) for any project or activity that affects the quality of the environment. An EIA is a process that involves evaluating and predicting the likely impacts of a project (including cumulative impacts) on the environment and includes designing appropriate preventive, mitigating and enhancement measures to protect the environment and the community’s welfare. An entity that complies with the EIS System is issued an Environmental Compliance Certificate (“**ECC**”), which is a document certifying that, based on the representations of the project proponent, the proposed project or undertaking will not cause significant negative environmental impacts and that the project proponent has complied with all the requirements of the EIS System.

To strengthen the implementation of the EIS System, the Office of the President of the Philippines issued Administrative Order (“**A.O.**”) No. 42 in 2002, providing the streamlining of the ECC application processing and approval procedures. Pursuant to A.O. 42, the DENR promulgated DENR A.O. No. 2003-30, also known as the IRR for the Philippine EIS System, in 2003.

Under the IRR, only projects that pose potential significant impact to the environment would be required to secure ECCs prior to commencement. In determining the scope of the EIS System, two factors are considered, namely: (i) the nature of the project and its potential to cause significant negative environmental impacts, and (ii) the sensitivity or vulnerability of environmental resources in the project area.

The DENR, through its regional offices or through the Environmental Management Bureau (“**EMB**”), determines whether a project is environmentally critical or located in an environmentally critical area and processes all applications for an ECC. As a requirement for the issuance of an ECC, an environmentally critical project must submit an Environment Impact Statement (“**EIS**”) to the EMB, which is a result of a positive determination by the EMB on the preventive, mitigating and enhancement measures adopted addressing possible adverse consequences of the project to the environment. The EIS refers to the document, prepared and submitted by the project proponent and/or the Environmental Impact Assessment Consultant which provides for a comprehensive study of the significant impacts of a project to the environment. On the other hand, a non-environmentally critical project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“**IEE**”) to the proper EMB regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required in addition to the IEE.

The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas. While the terms and conditions of an EIS or an IEE may vary from project to project, as a minimum it contains all relevant information regarding the project’s environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socioeconomic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC.

On January 18, 2024, the DENR issued DENR Administrative Order No. 2024-02 or the “Interim Guidelines for Environmental Compliance Certificate (ECC) under the Philippine Environmental Impact Statement System (PEISS) for Offshore Wind (OSW) Energy Projects”. The Administrative Order shall cover offshore wind projects issued with ECC to the issuance of the said order and all offshore wind projects issued with Offshore Wind Energy Service Contract with the DOE. The Administrative Order prescribes specific procedures and requirements for the issuance of ECC for offshore wind projects. It prescribes requirements for each stage of offshore wind projects, including the Pre-Application Stage, Pre-Development/Exploration Stage, Development/Construction and Operation Stage, and Decommissioning Stage.

The issuance of an ECC is a Philippine government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System; and that the proponent is committed to implementing its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein before or during the operations of the project and in some cases, during the abandonment phase of the project. Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the

environment or where the project requires rehabilitation or restoration. The Environmental Guarantee Fund is intended to meet any damage caused by such a project as well as any rehabilitation and restoration measures.

Aside from the EIS and IEE, engineering geological and geo-hazard assessments are also required for ECC applications covering subdivisions, housing and other land development and infrastructure projects.

Philippine Clean Water Act

In 2004, the Philippine Clean Water Act was enacted to streamline processes and procedures in the prevention, control, and abatement of pollution in the country's water resources and provide for a comprehensive water pollution management program focused on pollution prevention. The law primarily applies to the abatement and control of water pollution from land-based sources. The EMB, in partnership with other Philippine government agencies and the respective local government units, is tasked by the Implementing Rules of the Clean Water Act to identify existing sources of water pollutants and strictly monitor pollution sources which are not in compliance with the effluent standards provided in the law. The Philippine Clean Water Act also authorizes the DENR to formulate water quality criteria and standards for oil and gas exploration which encounter re-injection constraints.

The Philippine Clean Water Act requires owners or operators of facilities that discharge regulated effluents (such as wastewater from manufacturing plants or other commercial facilities) to secure a discharge permit from the DENR which authorizes the owners and operators to discharge waste and/or pollutants of specified concentration and volumes from their facilities into a body of water or land resource for a specified period of time.

Philippine Clean Air Act

R.A. 8749 or "The Philippine Clean Air Act of 1999" is a comprehensive air quality management program which aims to achieve and maintain healthy air for all Filipinos. Under this, the DENR is mandated to formulate a national program on how to prevent, manage, control, and reverse air pollution using regulatory and market-based instruments, and setup a mechanism for the proper identification and indemnification of victims of any damage or injury resulting from the adverse environmental impact of any project, activity or undertaking.

The Philippine Clean Air Act of 1999 requires enterprises that operate or utilize air pollution sources to obtain an Authority to Construct or a Permit to Operate from the DENR with respect to the construction or use of air pollutants. The issuance of said permits seek to ensure that regulations of the DENR with respect to air quality standards and the prevention of air pollution are achieved and complied with by such enterprises.

The Toxic Substances and Hazardous and Nuclear Waste Control Act

R.A. No. 6969 or "The Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990," regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substance and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry into the Philippines or the keeping in storage of hazardous wastes which include by-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. The said law is implemented by the DENR.

Hazardous wastes are substances brought into the country without any safe commercial, industrial, agricultural or economic usage. On the other hand, toxic wastes are substances that are poisonous and have carcinogenic, mutagenic, or teratogenic effects on human or other life forms.

Ecological Solid Waste Management Act

R.A. No. 9003 or "The Ecological Solid Waste Management Act of 2000" provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The same law mandates all, especially, the local government units, to adopt a systematic, comprehensive and ecological solid waste management program which shall ensure protection of public health and environment, utilize environmentally sound methods, set targets and guidelines for solid waste avoidance and reduction, and ensure proper segregation, collection, transport and storage of solid waste.

The National Solid Waste Management Commission, together with other government agencies and the different local government units, are responsible for the implementation and enforcement of the said law.

The Water Code

Presidential Decree No. 1067, or "The Water Code of the Philippines," ("**Water Code**") requires a water permit for the appropriation or use of natural bodies of water. Use or appropriation of water includes, among others, the

utilization of water in factories, industrial plants and mines, including the use of water as an ingredient of a finished product. Appropriation of water without a water permit, when one is required, is subject to the imposition of the corresponding penalties imposed by the Water Code and its implementing rules and regulations.

The Water Code imposes nationality restrictions for the application for water permit. Only corporations organized under the laws of the Philippines, at least 60% of the capital of which is owned by citizens of the Philippines may apply for a permit to appropriate water with the National Water Resources Board (“NWRB”) in accordance with the Water Code.

Code on Sanitation of the Philippines

Presidential Decree No. 856 provides for sanitary and structural requirements in connection with the operation of certain establishments such as industrial and food establishments. Food establishment is defined as any establishment where food or drinks are manufactured, processed stored, sold, or served. Under the Sanitation Code, which is implemented by the Philippine Department of Health, no person, firm, corporation or entity shall operate a food establishment without first obtaining a sanitary permit. The permit shall be valid for one year, and shall be renewed every year.

Other Environmental Laws

Other regulatory environmental laws and regulations applicable to the businesses of the Company include the following:

- Republic Act No. 6969 or the Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990, which regulates, restricts or prohibits the (i) importation, manufacture, processing, handling, storage, transportation, sale, distribution, use and disposal of chemical substances and mixtures that present unreasonable risk or injury to health or the environment, and (ii) entry as well as transit into the Philippines, or the keeping or storage and disposal of hazardous wastes which include by-products, side-products, process residue, contaminated plant or equipment or other substances from manufacturing operations. Under this law, before any new chemical substance or mixture can be manufactured, processed or imported for the first time, the manufacturer, processor, or importer shall first submit information pertaining to the: (i) name of chemical substance or mixture; (ii) its chemical identity and molecular structure; (iii) proposed categories of use; (iv) estimate of the amount to be manufactured, processed or imported; (v) processing and disposal thereof; and (vi) any test data related to health and environmental effects which the manufacturer, processor or importer has. The said law is implemented by the DENR.
- Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000, which provides for the proper management of solid waste which includes discarded commercial waste and non-hazardous institutional and industrial waste. The said law prohibits, among others, the transporting and dumping of collected solid wastes in areas other than prescribed centers and facilities. The National Solid Waste Management Commission, together with other Government agencies and the different local Government units, are responsible for the implementation and enforcement of the said law.

LABOR LAWS

The Philippine Constitution

The Philippine Constitution provides that the State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth. The seven basic rights that are specifically guaranteed by the Philippine Constitution are as follows:

- (a) right to organize;
- (b) right to conduct collective bargaining or negotiation with management;
- (c) right to engage in peaceful concerted activities, including strikes in accordance with law;
- (d) right to enjoy security of tenure;
- (e) right to work under humane conditions;

- (f) right to receive a living wage; and
- (g) right to participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

Labor Code of the Philippines

The DOLE is the Philippine Government agency mandated to formulate policies, implement programs and services, and serves as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws such as the Labor Code of the Philippines (“**Labor Code**”) and the Occupational Safety and Health Standards, as amended, and such other laws as specifically assigned to it or to the Secretary of the DOLE. All doubts in the implementation and interpretation of the provisions of the Labor Code shall be resolved in favor of labor. The Labor Code and other statutory laws specify the minimum statutory benefits that employers are required to grant to their employees.

Contracting and subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work, or service within a definite or predetermined period, regardless of whether such job, work, or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a “trilateral relationship” among: (i) the principal who decides to farm out a job, work, or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 16, 2017, Department Order No. 174 (2017) (“**D.O. No. 174-17**”) was issued by the DOLE providing for the guidelines on contracting and subcontracting, as provided for under the Labor Code. It has reiterated the policy that Labor-only Contracting is absolutely prohibited where: (1) (a) the contractor or subcontractor does not have substantial capital, or does not have investments in the form of tools, equipment, machineries, supervision, work premises, among others; and (b) the contractor’s or subcontractor’s employees recruited and placed are performing activities which are directly related to the main business operation of the principal; or (2) the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. Subsequently, DOLE issued Department Circular No. 1 (2017) clarifying that the prohibition under D.O. 174 does not apply to business process outsourcing, knowledge process outsourcing, legal process outsourcing, IT Infrastructure outsourcing, application development, hardware and/or software support, medical transcription, animation services, and back office operations or support.

D.O. No. 174-17 provides that in the event that there is a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor’s or subcontractor’s employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists a liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislation, to the extent of the work performed under the employment contract.

On May 2, 2018, then President Rodrigo Duterte signed Executive Order No. 51, reiterating the prohibition of the practice of illegal contracting or subcontracting in the country. The executive order aims to protect the worker’s right to security of tenure, self-organization, and collective bargaining and peaceful concerted activities.

Occupational Safety and Health Standards Law

On August 17, 2018, Republic Act No. 11058 or the Occupational Safety and Health Standards Law was signed into law. It mandates employers, contractors, or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires providing complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed to, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency.

The Rules for Occupational Safety and Health Standards (“**OSHS**”) issued by the Bureau of Working Conditions of the DOLE establishes the threshold limit values (“**TLV**”) for toxic and carcinogenic substances which may be present in the atmosphere of the work environment. The TLV refer to airborne concentration of substances and represent the conditions under which it is believed that nearly all workers may be repeatedly exposed daily without

adverse effect. The TLV also pertains to the time weighted concentrations for an eight-hour workday and a total of 48 work hours per week.

The employees' exposure to the substances identified in the OSHS must be limited to the ceiling value given for the relevant substance in the OSHS, or must not exceed the eight-hour time weighted average limit given for that substance in the OSHS, as the case may be.

To protect the employees, an employer is required to furnish its workers with protective equipment for the eyes, face, hands, and feet as well as protective shields and barriers, whenever necessary, by reason of the hazardous nature of the process or environment, chemical or radiological or other mechanical irritants or hazards capable of causing injury or impairment in the function of any part of the body through absorption, inhalation, or physical contact. The employer is responsible for ensuring the adequacy and proper maintenance of personal protective equipment used in its workplace.

To ensure compliance with the OSHS, every establishment or place of employment will be inspected at least once a year. Special inspection visits may be authorized by the Regional Labor Office to investigate accidents, occupational illnesses or dangerous occurrences, especially those resulting in permanent total disability or death, to conduct surveys of working conditions for the purpose of evaluating and assessing environmental contaminants and physical conditions, or to conduct investigations, inspections or follow-up inspections upon request of an employer, worker or a labor union of the establishment.

Any violation of the provisions of the OSHS will be subject to the applicable penalties provided under Department of Labor and Employment Department Order No. 198-18 and imposable upon any employer, contractor, or subcontractor who wilfully fails or refuses to comply with the OSHS standards or a compliance order issued by the Secretary of Labor and Employment or his/her authorized representative.

Depending on the size of the workforce and the nature of the workplace as either hazardous or non-hazardous, an employer is obliged to provide certain free medical and dental attendance and facilities. For large-scale industries with workers of 200 to 600, the employer is required to provide the services of a part-time occupational health physician and a part-time dentist, each of whom is required to stay on the premises of the workplace at least four hours a day, six times a week, and each working in alternate periods. It is also required to provide the services of a full-time occupational health nurse and a full-time first aider. The employer must further maintain an emergency clinic, unless there is a hospital or dental clinic within 25 minutes of travel, and ensure that it has facilities readily available for transporting its workers to the hospital or clinic in case of an emergency.

Under the OSHS, every place of employment is required to have a health and safety committee. Further, the employer has the duty to write administrative policies on safety in conformity with OSHS. It must provide to DOLE copies of the policies adopted and the health and safety organization established to carry out the program on safety and health within one month after the organization or reorganization of the health and safety committee.

Moreover, Republic Act No. 7877 makes it the duty of every employer to create a committee on decorum and investigation of sexual harassment cases. Such committee must be composed of at least one representative each from management, the union, the employees from the supervisory rank, and the rank-and-file employees. In addition, it is likewise the duty of the employer to promulgate rules and regulations prescribing the procedure for the investigation of sexual harassment cases and the administrative sanctions therefor, which rules must be formulated in consultation with, and approved by, the employees.

An employer, contractor or subcontractor who wilfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

In 2023, the DOLE issued Department Order No. 238, Series of 2023 or the Rules on the Administration and Enforcement of Labor Standards pursuant to Article 128 of the Labor Code of the Philippines, as renumbered, and Republic Act No. 11058, strengthening the exercise of the visatorial and enforcement power of the Secretary of Labor and Employment and outlining the procedure for the conduct of occupational safety and health investigations.

On May 26, 2025, the DOLE released Department Order No. 252, Series of 2025 or the Revised Implementing Rules and Regulations of Republic Act No. 11058, which strengthened the enforcement of the law, putting focus on accountability of employers in promoting and ensuring a safe and healthy workplace.

Social Security System, PhilHealth, and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under Republic Act No. 8282 to ensure coverage of employees following procedures set out by the law and the Social Security System (“SSS”). Under the said law, social security coverage is compulsory for all employees under 60 years of age. An employer must deduct and withhold from its compulsorily covered employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations.

Employers are likewise required to ensure enrollment of its employees in a National Health Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the DOH tasked with ensuring sustainable, affordable, and progressive social health insurance pursuant to the provisions of the National Health Insurance Act of 1995, as amended by the Republic Act No. 11223, otherwise known as the Universal Health Care Act. The registration, accurate and timely deductions and remittance of contributions to the Philippine Health Insurance Corporation is mandatory as long as there is employer-employee relationship. The law provides that a member should have paid his contributions for at least three months within the six months prior to the first day of availment, including those of his dependents, to be entitled to the benefits of the program.

Under the Home Development Mutual Fund Law of 2009, all employees who are covered by the Social Security Act of 1997 must also be registered with and covered by the Home Development Mutual Fund, more commonly referred to as the Pag-IBIG Fund. It is a national savings program as well as a fund to provide affordable shelter financing to Filipino employees. The employer is likewise mandated to deduct and withhold, pay and remit to the Pag-IBIG Fund the respective contributions of the employees under the prescribed schedule.

OTHER LABOR-RELATED LAWS AND REGULATIONS

Employment of Foreign Nationals

Under Department Order No. 186, Series of 2017 (“**D.O. No. 186-17**”), issued by the DOLE, all foreign nationals who intend to engage in gainful employment in the Philippines shall apply for an Alien Employment Permit (“AEP”). However, D.O. No. 186-17 clarifies that an AEP is not an exclusive authority for a foreign national to work in the Philippines. It is just one of the requirements in the issuance of a work visa (9g) to legally engage in gainful employment in the country. The foreign national must obtain the required special temporary permit from the Professional Regulation Commission in case the employment involves practice of profession and Authority to Employ Alien from the Department of Justice where the employment is in a nationalized or partially nationalized industry, as well as from the Department of Environment and Natural Resources in case of employment in a mining company. D.O. No. 186-17 also provides for the list of foreign nationals who are exempt and excluded from securing an AEP.

Under D.O. No. 186-17, the Regional Director shall impose a fine of ₱10,000.00 for every year or a fraction thereof to foreign nationals found working without a valid AEP. Employers found employing foreign nationals without a valid AEP shall also pay a fine of ₱10,000.00 for every year or a fraction thereof. Further, an employer who is found to have failed to pay the penalty provided under D.O. No. 186-2017 shall not be allowed to employ any foreign national for any position in the employer’s company.

On January 6, 2021, the DOLE has issued Department Order No. 221, Series of 2021, or the Revised Rules and Regulations for the Issuance of Employment Permits to Foreign Nationals. One of the notable revisions in the new Rules with respect to the processing of the AEP application is the requirement of a publication in a newspaper of general circulation by the employer of the job vacancy to which the foreign national is intended to be hired at least 15 calendar days prior to the application for an AEP. An additional requirement in the AEP application is a duly notarized affidavit stating that no applications were received or no Filipino applicant was considered for the position. Moreover, foreign nationals providing consultancy services were removed in the list of categories excluded from the AEP.

Labor Code Provision on Retirement Pay

The Labor Code provides that, in the absence of a retirement plan provided by their employers, private sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month’s salary for every year of service, with a fraction of at least six months being considered as one whole year.

For the purpose of computing the retirement pay, “one-half month’s salary” shall include all of the following: 15 days salary based on the latest salary rate; in addition, 1/12 of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarity liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel. All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

INTELLECTUAL PROPERTY LAWS

Intellectual Property Code

Under the Intellectual Property Code of the Philippines (the “**IP Code**”), the rights to a trademark are acquired through the registration with the Bureau of Trademarks of the Intellectual Property Office, which is the principal Government agency involved in the registration of brand names, trademarks, patents and other registrable intellectual property materials.

Upon registration, the Intellectual Property Office shall issue a certificate of registration to the owner of the mark, which shall confer the right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs or containers for goods or services which are identical or similar to those in respect of which the mark is registered. The said certificate of registration shall also serve as prima facie evidence of the validity of registration and the registrant’s ownership of the mark. A certificate of registration shall remain in force for an initial period of ten years and may be renewed for periods of ten years at its expiration.

The IP Code applies to license agreements which generally fall within the definition of technology transfer arrangements (“**TTAs**”). The IP Code defines TTAs as contracts or agreements involving the transfer of systematic knowledge for the manufacture of a product, the application of a process, or rendering of a service including management contracts; and the transfer, assignment or licensing of all forms of intellectual property rights, including licensing of computer software except computer software developed for mass market. TTAs must comply with Sections 87 and 88 of the IP Code, i.e., TTAs cannot contain the provisions which are prohibited under Section 87 but must contain the mandatory provisions under Section 88. Failure to comply with these provisions of the IP Code will automatically render the entire arrangement unenforceable.

OTHER LAWS

Property Registration Decree

The Philippines has implemented a land registration system that serves as proof of land ownership and is legally binding for all parties involved. Once a land is registered, the title to that registered land becomes indisputable after a year from the decree of registration, except in cases where specific claims are noted on the certificate of title. Ownership of registered lands cannot be lost through adverse possession or legal prescription. Presidential Decree No. 1529, also known as the Property Registration Decree, has consolidated the laws related to land registration and is based on the widely recognized principles underlying the Torrens System.

After conducting a survey and following the necessary steps of application, publication, service of notice, and a hearing, unregistered land can be brought under this system through either judicial or administrative proceedings. The act of registration serves as the pivotal action to convey or impact the land concerning third parties. Registration must be completed in the office of the Register of Deeds for the province or city where the land is located. Any conveyance, mortgage, lease, lien, attachment, court order, judgment, instrument, or entry that affects registered land and is filed or recorded in the Register of Deeds' office for the province or city where the land is located serves as constructive notice to all individuals from the time it is officially registered, filed, or recorded in the Register of Deeds' records.

All interests in registered land that are less than full ownership, like liens created by mortgages and leases, must be registered by submitting the document that establishes, transfers, or claims these interests to the Register of Deeds. An annotation of these transactions will be made by the Register of Deeds on the certificate of title, and it will be duly signed by the Register of Deeds. An annotation will also be added to the owner's duplicate.

For any subsequent transfer or encumbrance of the land, it is essential to complete the registration process to bind third parties. Upon the presentation of the required documents and the payment of applicable fees and taxes, a new Transfer Certificate of Title in the name of the transferee will be issued.

The Indigenous Peoples' Rights Act of 1997

Republic Act No. 8371, otherwise known as the Indigenous Peoples' Rights Act, establishes the state's mandate to recognize, promote, and protect the rights of Indigenous Cultural Communities and Indigenous Peoples. In order to achieve this, the law established the National Commission on Indigenous Peoples ("NCIP"), a government agency tasked with, among others, the protection of the ancestral lands and domains of Indigenous Peoples.

Corporations with large-scale projects for the development, exploitation, and utilization of land, water, air, and other natural resources within ancestral lands must undergo the NCIP's Free Prior and Informed Consent ("FPIC") process. The NCIP shall send representatives to hold community assemblies with the affected Indigenous Peoples. After the assemblies, the NCIP will allow the affected communities to independently hold their own decision-making processes. Only consents which are given from these independent decision-making processes will be deemed valid by the NCIP and will allow the corporation to execute its large-scale projects.

Additionally, when there is doubt as to whether or not the large scale project is within ancestral lands, the corporation can ask for the issuance of a Certificate of Non-Overlap as proof that the project is not being undertaken on ancestral lands, provided that it must be executed with an undertaking that should it later be found out that there is encroachment into ancestral lands, the FPIC process must be conducted.

Local Government Code

Republic Act No. 7160, as amended, otherwise known as the Local Government Code ("LGC") establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that local government units shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

Local government units exercise police power through their respective legislative bodies. Specifically, the local government unit, though its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of prosperity, and the promotion of morality, peace, good order, comfort, convenience, and general welfare for the locality and its inhabitants. Ordinances can reclassify

land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the local government unit.

An ordinance may be repealed by a subsequent ordinance expressly repealing or declaring it as invalid. An ordinance may also be repealed by implication by a subsequent ordinance that is inconsistent or contrary, in whole or in part, to the previous ordinance. Under the LGC, the *Sangguniang Panlalawigan* (provincial council) has the power to review ordinances passed by a component city council and can declare ordinances invalid, in whole or in part, if it finds that the lower council exceeded its authority in enacting the ordinance.

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BOARD OF DIRECTORS AND SENIOR MANAGEMENT

HHI's overall management and supervision are undertaken by the Board of Directors. Our executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning our business operations, financial condition and results of operations for its review. Currently, the Board of Directors consists of seven members, of which two are independent directors. The directors named below were elected at the Company's annual stockholders meeting on May 27, 2025. All directors will hold office until their successors have been duly elected and qualified.

The following table sets forth the Board of Directors of the Company:

Name	Age	Position	Citizenship
Dae Sik Han	55	Chairman of the Board	Korean
Ronaldo Modesto J. Ventura	59	Vice Chairman	Filipino
Agnes A. Liwanag	46	Director	Filipino
Mitchell A. Estacio	47	Director	Filipino
Tarek Aouini	48	Director	Tunisian
Senen L. Matoto	77	Independent Director	Filipino
Antonio N. Jacinto	66	Independent Director	Filipino

The following table sets forth our key executive and corporate officers ("**Senior Management**"):

Name	Age	Position	Citizenship
Dae Sik Han	55	Chairman & President and CEO	Korean
Ronaldo Modesto J. Ventura	59	Chief Risk Officer	Filipino
Agnes A. Liwanag	46	Vice President & Chief Operating Officer	
Mitchell A. Estacio	47	Treasurer & Chief Finance Officer	Filipino
Ronald D. Policarpio	44	Corporate Secretary & Chief Compliance Officer	Filipino
Maria Andrea T. Sigua	40	Assistant Corporate Secretary	Filipino
Anne Kristine D. Gutierrez	43	Chief Audit Officer	Filipino
Ronmae Jenine T. Ferrer	35	Investor Relations Officer	Filipino

Dae Sik Han

Director / Chairman / President / CEO

Mr. Dae Sik Han has almost three decades of expertise in corporate management and strategic development. Since 2006, he has held the roles of Chairman and President/Chief Executive Officer of the Hann Group, which comprises Hann Holdings, Inc.; Hann Philippines, Inc.; Hann Development Corporation; Hann International Leisure, Inc.; and Hann Foundation, Inc. Under his direction, the Hann Group has become a major participant in the leisure, hospitality, and real estate industries in the Philippines. Apart from his capacity at Hann Group, Mr. Han runs Hann Properties Group Holdings and Hann Group Holdings, WLL, as Owner and Director.

Ronaldo Modesto J. Ventura

Director / Vice Chairman

A respected figure in the fields of corporate governance and legal risk management, Atty. Ronaldo Modesto J. Ventura serves as Vice Chairman and Chief Risk Officer of Hann Holdings Inc.

Atty. Ventura is also a Partner at Romulo Mabanta Buenaventura Sayoc & De Los Angeles, one of the Philippines' leading law firms. He advises local and international clients on major transactions, regulatory matters, and corporate structuring, drawing on decades of legal experience. Beyond his legal practice, he sits on the boards of various finance, holding, and service corporations, including Esquire International Financing Inc., UNO Bank, and LOLC Bank.

He holds a Juris Doctor degree from the Ateneo de Manila University School of Law and a Bachelor of Science degree in Legal Management from the Ateneo de Manila University. With a focus on integrity and strategic leadership, Atty. Ventura plays a crucial role in driving initiatives to promote the company's growth, ensure compliance, and manage risk effectively.

Agnes A. Liwanag

Director / Vice President & Chief Operating Officer

Ms. Agnes A. Liwanag has served as an executive at the Hann Group, which includes Hann Holdings, Inc., Hann Philippines, Inc., Hann Development Corporation, Widus International Leisure, Inc., and Hann Foundation, Inc. Having led the company for more than fifteen years, she is instrumental in promoting real estate and property development projects.

Ms. Liwanag provides strategic oversight across multiple departments. In her capacity as Vice President for Real Estate and Property Development, she leads the Real Estate Sales & Marketing, Project Oversight, Construction, Admin & Logistics, Commercial, and Procurement & Asset departments. Her comprehensive management ensures the alignment of operational execution with the group's long-term development goals.

Mitchell A. Estacio

Director / Treasurer & Chief Financial Officer

Ms. Mitchell A. Estacio has held the Vice President for Finance position with Hann Group of Companies since 2011. As a member of the Executive Committee at Hann Group, Ms. Estacio brings over 26 years of financial leadership experience, including 18 years in the property development and hospitality sectors. She leads the firm's financial strategy and corporate governance across its broad portfolio.

Tarek Aouini

Director

Mr. Tarek Aouini has served as Vice President for Hotel Operations at Hann Philippines, Inc. and Hann International Leisure Inc. since 2016. As the hotel operations leader for Swissôtel Clark and Widus Hotel, he oversees key resort service divisions, including the Rooms Division, Housekeeping, Facilities Management, and Food & Beverage. In addition to his current responsibilities, Mr. Aouini plays a pivotal role in shaping the future of Hann Casino Resort and Hann Reserve as Vice President for Hann Hotels Operations, contributing to the development and positioning of the group's upcoming hotel and restaurant brands.

Senen L. Matoto

Independent Director

Mr. Senen "Bing" L. Matoto is a well-respected executive and thought leader. Throughout his career, he has served in senior leadership capacities in both the private and government spheres, including important roles at Prudential Bank and as Chief Operating Officer of the Ayala Group of Companies. As President of the Investment House Association of the Philippines and the Philippine Association of Stockbrokers, he also directed Mabuhay Vinyl Corporation and headed important sector groups.

He now works as a management consultant to several privately owned and family-owned businesses, providing strategic direction based on his great industry expertise. He is also a business columnist for The Daily Tribune, where he offers views on economic trends and corporate governance.

Mr. Matoto sits on numerous boards, including Independent Director for Yuanta Savings Bank and Director for both Figaro Coffee Group Inc. and Philippine Guarantee Corporation. His strong participation in professional and community groups shows his dedication to excellence and service. He is a member of the Financial Executives Institute of the Philippines, the Rotary Club of Makati, the Institute of Corporate Directors, and the Center of Excellence in Governance.

Antonio N. Jacinto

Independent Director

Mr. Antonio N. Jacinto is a seasoned expert with more than 30 years of banking and finance experience. Leading strategic planning and financial activities, he is currently the Chairman and President of Mahogany Way Lending Corporation starting 2019. He has also served as an External Consultant at Premier Business Family Consultants since 2024 offering financial planning and business continuity for family-owned companies.

Sharing his great industry expertise and real insights with prospective business leaders, Mr. Jacinto has served as a part-time instructor at the Ateneo Graduate School of Business starting in 2019.

He has served as a Banking and Project Finance Consultant, offering advice to clients in several industries on project implementation and strategic financial planning since October 2018. Senior executive positions with major financial institutions define his wide corporate experience. Before being Director and Relationship Manager at ING Bank Manila Branch from 2005 to 2013, he worked as Senior Vice President for Corporate Banking at BDO Unibank, Inc. Managing Director at Transaction Advisory Services, Inc., a member of SGV/Ernst and Young, from 2001 to 2005 where he oversaw advisory services for significant financial transactions.

Ronald D. Policarpio

Corporate Secretary & Chief Compliance Officer

Having spent more than twenty years advising corporate clients on complex legal issues, Atty. Policarpio is a seasoned legal practitioner. He is a Partner at Romulo Mabanta Buenaventura Sayoc & De Los Angeles, specializing in corporate, banking, and securities law, and currently serves as the Corporate Secretary and Chief Compliance Officer of Hann Holdings, Inc.

His work encompasses corporate structure, acquisitions and mergers, labor relations, and regulatory compliance. Banking, micro-finance, aviation, healthcare, IT, and manufacturing are among the several industries for which he holds or has held board and corporate secretary positions.

Among other boards he has served on in the last five years are those of an international cash processing company, a publicly owned hospital in Mindanao, and a regional airline. He also served as corporate secretary for the biggest microfinance company in the Philippines.

Outside legal practice, he is a Senior Lecturer at the UP College of Law, teaching Corporation Law, Securities Regulation, and Transportation Law, and is a resource speaker for the UP Institute of Government Law Reform.

Maria Andrea T. Sigua

Assistant Corporate Secretary

Maria Andrea T. Sigua is a dedicated and experienced executive with a strong background in corporate administration and executive support. From 2013 to 2023, she served as First Assistant Vice President and Executive Assistant to the Chairman and CEO of LausGroup Holdings, Inc., where she played a key role in supporting top-level management and contributing to the strategic coordination of the company's operations.

Prior to her tenure at LausGroup, Ms. Sigua held various leadership and governance roles across several organizations. She served as Director and Corporate Secretary at Comtrust Finance and Investment Corporation, and as Corporate Secretary for multiple companies including Radioworld Broadcasting Corporation, Metro Central Luzon Foods, Inc., and Freeport Café Incorporated. She also held the position of Director and Corporate Secretary at Laus Insurance Agency and Services, Inc., and served as a Trustee of the LP Laus Foundation.

Anne Kristine D. Gutierrez

Chief Audit Officer

Ms. Anne Kristine D. Gutierrez currently serves as the Director of Corporate Compliance and Legal Affairs at Hann Philippines, Inc., a role she has held since 2023. Prior to this, Ms. Gutierrez served as Compliance Manager at Widus International Leisure from 2021 to 2023. During her tenure, she played a key role in strengthening the company's compliance systems and fostering a culture of integrity and accountability within the organization.

Ronmae Jenine T. Ferrer

Investor Relations Officer

Ms. Jenine T. Ferrer is an expert in business strategy and finances. Assuming her role in 2024, she now works at Hann Casino Resort as Investor Relations and Financial Planning Manager. In this role, she helps to direct financial forecasting, strategic planning, and stakeholder communication management to facilitate the growth of the resort and investor involvement.

Ms. Ferrer supported executive decision-making, created financial models, and analyzed performance metrics as Financial Planning and Analysis Manager at Hann Casino Resort from 2023 to 2024 before she began her present position.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND SENIOR MANAGEMENT

To the best of our knowledge, in the last five years, none of the above-named directors or members of Senior Management has been subject to the following:

- (a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) any order, 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 his or her involvement in any type of business, securities, commodities, or banking activities; or
- (d) found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

INTERLOCKING DIRECTORS

The following directors of the Company act as directors and officers of the Company's subsidiary, Hann Philippines, Inc.:

Director	Hann Holdings, Inc.	Hann Philippines, Inc.
Dae Sik Han	Director / Chairman / President / CEO	Director / Chairman / President / CEO
Agnes A. Liwanag	Director	Director / Assistant Corporate Secretary
Mitchell A. Estacio	Director / Treasurer	Director / Corporate Secretary / Treasurer

FAMILY RELATIONSHIPS

There are no family relationships either by consanguinity or affinity up to the fourth civil degree among our Directors, executive officers and shareholders.

BOARD COMMITTEES

Specific responsibilities of the Board of Directors are delegated to its duly established Board Committees. A brief description of the functions and responsibilities of the key committees are set out below:

A. Executive Committee

The Executive Committee serves as a governing body that acts on behalf of the Board of Directors when the Board is not in session. Its primary purpose is to ensure continuity in the management of the corporation's business and affairs, exercising the powers of the Board in accordance with Section 35 of the Revised Corporation Code of the Philippines, the company's by-laws, and applicable rules and regulations.

While the Executive Committee is empowered to make decisions and take action on a wide range of matters, its authority is subject to specific limitations. It may not approve actions that require shareholder approval, fill

vacancies on the Board, amend or repeal the by-laws or adopt new ones, alter Board resolutions that are expressly non-amendable or non-repealable, or authorize the distribution of cash dividends to shareholders.

The committee is chaired by Dae Sik Han and with Mitchell A. Estacio and Agnes A. Liwanag as members.

B. Audit Committee

The Audit Committee shall enhance the Board's oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

The committee shall consist of at least three appropriately qualified non-executive directors, majority of whom, including the chairman of the committee should be independent directors. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

The committee is chaired by Antonio N. Jacinto and with Ronaldo Modesto J. Ventura and Senen L. Matoto as members.

C. Corporate Governance Committee

The Corporate Governance Committee has the duty and responsibility to assist the Board of Directors in the performance of its corporate governance responsibilities, including functions of a nomination and remuneration committee. It should be composed of at least three members, a majority of whom should be independent directors, including the chairman of the committee.

The committee is chaired by Senen L. Matoto and with Agnes A. Liwanag and Mitchell A. Estacio as members.

D. The Related Party Transactions Committee

The Related Party Transactions Committee ("RPTC") shall have the explicit authority to investigate any matter in the performance of its duties and responsibilities as established in the By-Laws of the Company, including gaining full access to any Company files and information, as well as the complete cooperation of management, with full discretion to invite any Director or executive officer to attend its meetings. The RPTC may form and delegate authority to sub-committees, as it may deem necessary or appropriate. Moreover, the Board of Directors of the Company has delegated to the RPTC the authority to approve all transactions, policies, procedures, rules, regulations, and all other activities, which are necessary, in relation, or incidental to its powers, functions, roles, and responsibilities, as provided in the By-Laws of the Company.

The RPTRCC shall have at least three members, all of whom shall be non-executive directors, including the chairman. A majority of the members must be independent directors.

The committee is chaired by Ronaldo Modesto J. Ventura and with Senen L. Matoto and Antonio N. Jacinto as members.

E. The Board Risk Oversight Committee

The Board Risk Oversight Committee shall be responsible for overseeing the Company's Enterprise Risk Management system to ensure its functionality and effectiveness. It assists the Board in maintaining an effective and integrated risk management process. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having taken into considerations risks related to significant business activities, plans and opportunities. The committee shall be composed of at least three members, the majority of whom shall be independent directors.

The committee is chaired by Ronaldo Modesto J. Ventura and with Senen L. Matoto and Antonio N. Jacinto as members.

CORPORATE GOVERNANCE FRAMEWORK

The Board of Directors has adopted the Manual on Corporate Governance (“**Manual**”), which institutionalizes the principles of best practices and good corporate governance in the entire organization. We believe that it is a necessary component of sound strategic business management, hence, we undertake efforts to create awareness within the organization.

The Manual provides that it is the Board of Directors that has the primary responsibility for the governance of the corporation. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board of Directors is mandated to attend its regular and special meetings in person or through teleconferencing.

In adopting the Manual, we understand the responsibilities of the Board of Directors and its members, in governing the conduct of our business, the Board Committees, in focusing on specific board functions to aid in the optimal performance of its roles and responsibilities, and the officers, in ensuring adherence to corporate principles and best practices. We are currently in the process of establishing an evaluation system for determining the extent of compliance of the Board and senior management of the Company with the Manual.

Pursuant to the Securities and Exchange Commission Memorandum Circular No. 24 Series of 2019, dated 19 December 2019, the Board of Directors hereby adopts the governance principles embodied in the Code of Corporate Governance for Publicly Listed Companies.

EXECUTIVE COMPENSATION

The Corporation’s President and two most highly compensated executive officers of the Corporation are as follows:

Name	Position
Dae Sik Han	Chairman, President and Chief Executive Officer
Agnes A. Liwanag	Vice Chairman and Chief Operating Officer
Mitchell A. Estacio	Treasurer and Chief Financial Officer

The following table identifies and summarizes the aggregate compensation of the Corporation’s President and the two most highly compensated executive officers of the Corporation in fiscal years 2022, 2023 and 2024:

Name of Officer and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Compensation
<i>Chief Executive Officer</i>	2024	76.1	6.1	7.0
<i>and top two highest compensated officers:</i>	2023	73.0	6.3	6.3
1. Dae Sik Han	2022	59.1	0.3	5.1
2. Agnes A. Liwanag				
3. Mitchell A. Estacio				
<i>All other unnamed directors and officers in aggregate</i>	2024	N/A	N/A	N/A
	2023	N/A	N/A	N/A
	2022	N/A	N/A	N/A

STANDARD ARRANGEMENTS

Other than payment of reasonable per diem of ₱80,000.0 per director for every meeting and ₱30,000.0 per committee meeting for committee members, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

EMPLOYMENT CONTRACT BETWEEN THE COMPANY AND SENIOR MANAGEMENT OFFICERS

There are no special employment contracts between the Company and Senior Management.

WARRANTS AND OPTIONS HELD BY THE SENIOR MANAGEMENT OFFICERS AND DIRECTORS

There are no outstanding warrants or options held by Senior Management, and all officers and directors as a group.

SIGNIFICANT EMPLOYEE

While we value the contribution of each of our executive and non-executive employees, we believe there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on our business. Other than standard employment contracts, there are no special arrangements with our non-executive employees.

PRINCIPAL SHAREHOLDERS

We have eight shareholders as of March 31, 2025, as follows:

No.	Name of Shareholder	Nationality	No. of Common Shares Held	Amount Subscribed (₱)	Amount Paid-up (₱)	Percentage of Ownership
1	Hann Group Holdings W.L.L	Bahraini	1,999,995,000 ⁽¹⁾	199,999,500.00	199,999,500.00	99.99%
2	Dae Sik Han	Korean	1,000	100.00	100.00	0.00%
3	Ronaldo Modesto J. Ventura	Filipino	1,000	100.00	100.00	0.00%
4	Agnes Liwanag	Filipino	1,000	100.00	100.00	0.00%
5	Mitchell Estacio	Filipino	1,000	100.00	100.00	0.00%
6	Tarek Aouini	Tunisian	1,000	100.00	100.00	0.00%
7	Senen Matoto	Filipino	1,000	100.00	100.00	0.00%
8	Antonio N. Jacinto	Filipino	1,000	100.00	100.00	0.00%
	TOTAL		2,000,002,000	200,000,200.00	200,000,200.00	100%

Note:

(1) Excludes 5,000 Common Shares held by nominees.

PSE LOCK-UP REQUIREMENT

Under the PSE Consolidated Listing and Disclosure Rules, subject to any exemptions provided by the PSE, an applicant company shall cause its existing shareholders who own an equivalent of at least ten percent (10%) of the issued and outstanding shares of stock of the company to refrain from selling, assigning, or in any manner disposing of their shares for a period of:

- (a) 180 days after the listing of said shares if the applicant company meets the track record requirements in Section 1, Article III, Part D of the PSE Consolidated Listing and Disclosure Rules; or
- (b) 365 days after the listing of said shares if the applicant company is exempt from the track record and operating history requirements of the PSE Consolidated Listing and Disclosure Rules.

Further, if there is any issuance or transfer of shares (i.e. private placement, asset for share swap or a similar transaction) or of instruments which leads to an issuance or transfer of shares (i.e. convertible bonds, warrants, or similar instrument) done and fully paid for within 180 days prior to the start of the offering period, or, prior to the listing date in the case of applicant companies by way of introduction, and the transaction price is lower than that of the offer price in the initial public offering or than that of the listing price in the case of applicant companies listing by way of introduction, all shares availed of shall be subject to a lock-up period of at least 365 days from the full payment of the aforesaid shares.

The following shareholder is covered by the 180-day lock-up requirement from Listing Date:

Shareholder	No. of Shares
Hann Group Holdings W.L.L	[2,000,000,000] Common Shares
TOTAL	[2,000,000,000] Common Shares

On May 27, 2025, the Company issued 1,000 Common Shares each to the independent directors, Mr. Antonio N. Jacinto and Mr. Senen L. Matoto. As such,. The following shareholders are covered by the 365-day lock-up requirement from Listing Date:

Shareholder	No. of Shares
Antonio N. Jacinto	[1,000] Common Shares

Shareholder	No. of Shares
Senen L. Magtoto	[1,000] Common Shares
TOTAL	[2,000] Common Shares

To implement the lock-up requirement, we and the foregoing shareholders shall enter into an escrow agreement with UnionBank Investment Management and Trust Corporation.

On August 30, 2024, the Philippine SEC approved the merger of the Company's subsidiaries, HPI and HDC, wherein HPI was the surviving corporation. Hann Philippines, Inc. has assumed all assets, liabilities and obligations, as well as all rights and privileges, of Hann Development Corporation.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of the date of this Prospectus, the following are the owners of our common stock in excess of 5% of total issued and outstanding shares:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares held	Percentage of Ownership
Common shares	Hann Group Holdings W.L.L. Suite No. 1919 Diplomat Commercial Office Tower, Bldg. No. 1565, Road. 1722, Block 317, Diplomatic Area, Manama, Kingdom of Bahrain	Dae Sik Han	Bahraini	1,999,995,000 ⁽¹⁾	99.9%

Note:

(1) Excludes 5,000 common shares held by the nominees.

Security Ownership of Management

As of March 31, 2025, the following are the shareholdings of our Senior Management:

Title of Class	Name of Record Owner	Position	Citizenship	Number of Shares Held	Percentage of Ownership
Common shares	Dae Sik Han	President and CEO	Korean	1	0.00%
Common shares	Agnes A. Liwanag	Corporate Secretary Assistant	Filipino	1	0.00%
Common shares	Ronald D. Policarpio	Corporate Secretary	Filipino	N/A	N/A
Common shares	Mitchell A. Estacio	Treasurer	Filipino	1	0.00%
		TOTAL		3	0.00%

Except for the foregoing, no other members of the Board of Directors or Senior Management own any shares in the Company.

Voting Trust Holders of 5% or more

As of March 31, 2025, we are not aware of any person holding more than 5.0% of a class of our shares under a voting trust or similar agreement.

Change in Control

There has been no change in the control of the Company since it was incorporated in February 22, 2016.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred herein as affiliates). Related parties may be individuals or corporate entities.

In the ordinary course of business, we enter into various transactions with related parties and affiliates, principally consisting of leases of commercial space, advances and purchases and sales of goods. Our policy is to settle intercompany receivables and payables on a net basis. Transactions entered with related parties are made at terms equivalent to those that prevail in arm's length transactions on terms comparable to those available from or to unrelated third parties, as the case may be, and on a basis substantially as favorable to it as would be obtainable in such arm's length transactions. Outstanding balances owed to related parties at a certain reporting date are non-interest bearing, unsecured, with no guarantee, and payable/collectible in cash on demand.

The RPTRCC was constituted to enhance the Board of Directors' oversight capability over our material related party transactions and compliance with applicable laws, rules, and regulations. The RPTRCC evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, related party transactions are monitored, and subsequent changes in relationships with counterparts are captured. Further, the RPTRCC evaluates all material related party transactions to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances and that none of our corporate or business resources are misappropriated or misapplied, and to determine any potential reputational risk issued that may arise as a result of or in connection with the transactions. Apart from the RPTRCC's evaluation of related party transactions, it also ensures that the related party transactions, including write-off of exposures, are subject to a periodic independent review or audit process.

We have the following significant transactions with related parties for the year ended March 31, 2025:

- (a) Advances to WILI and a shareholder used for working capital requirements, which are non-interest bearing, with no fixed repayment terms and are due and demandable;
- (b) Trade charges by WILI which are unsecured, non-interest bearing and due and demandable; and
- (c) Long-term loans from shareholder, converted from payables with 10 years term and interest bearing at 9% per annum; and interest from long-term loans; payable in cash and unsecured.

The summaries of our significant transactions with related parties are set out in Note 17 to the audited financial statements for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025.

EFFECT OF THE CHANGE IN PAR VALUE OF THE COMPANY

On April 5, 2024, our Board of Directors and shareholders approved amendments to our Articles of Incorporation to, among others, (i) reduce the par value of the Common Shares from ₱100.00 to ₱0.10 per share (“**Change in Par Value**”); and (ii) the increase in our authorized capital stock from ₱160,000,000.00 to ₱410,000,000.00 (“**Increase in Capital Stock**”) in preparation for the initial public offering. The Philippine SEC approved such amendments on August 30, 2024.

Below is a breakdown of our shareholdings before the Change in Par Value:

Stockholders	Nationality	No. of Common Shares Subscribed	Amount Subscribed(₱)	Amount Paid-Up (₱)	Percentage of Ownership
HYASS (FZE)	UAE	399,995	39,999,500.00	29,999,500.00	100.00%
Dae Sik Han	Korean	1	100.00	100.00	nil
Hyun Ja Nam	Korean	1	100.00	100.00	nil
Agnes A. Liwanag	Filipino	1	100.00	100.00	nil
Mitchell A. Estacio	Filipino	1	100.00	100.00	nil
				100.00	
Ana Christi G. Galura	Filipino	1	100.00		nil
TOTAL		400,000	40,000,000.00	30,000,000.00	100.00%

Below is a breakdown of our shareholdings after the Change in Par Value:

Stockholders	Nationality	No. of Common Shares Subscribed	Amount Subscribed(₱)	Amount Paid-Up (₱)	Percentage of Ownership
HYASS (FZE)	UAE	399,995,000	39,999,500.00	29,999,500.00	100.00%
Dae Sik Han	Korean	1,000	100.00	100.00	nil
Hyun Ja Nam	Korean	1,000	100.00	100.00	nil
Agnes A. Liwanag	Filipino	1,000	100.00	100.00	nil
Mitchell A. Estacio	Filipino	1,000	100.00	100.00	nil
Ana Christi G. Galura	Filipino	1	100.00	100.00	nil
TOTAL		400,000,000	40,000,000.00	30,000,000.00	100.00%

The amount of increase in the authorize capital stock, considering the change of the par value of the common shares, is ₱250,000,000 divided into 2,500,000,000 common shares with a par value of ₱ 0.10 per share.

Out of the increase in authorized capital stock amounting to ₱250,000,000, comprised of 2,500,000,000 common shares with a par value of ₱0.10 per share, ₱160,000,000, representing 1,600,000,000 common shares, has been subscribed as represented below.

Below is a breakdown of our shareholdings after the Change in Par Value and Increase in Capital Stock:

Stockholders	Nationality	No. of Common Shares Subscribed	Amount Subscribed(₱)	Amount Paid-Up (₱)	Percentage of Ownership
Hann Group Holdings W.L.L.	Bahraini	1,600,000,000	160,000,000.00	160,000,000.00	84.21%
HYASS (FZE)	UAE	399,995,000	39,999,500.00	29,999,500.00	15.79%
Dae Sik Han	Korean	1,000	100.00	100.00	nil
Hyun Ja Nam	Korean	1,000	100.00	100.00	nil
Agnes A. Liwanag	Filipino	1,000	100.00	100.00	nil
Mitchell A. Estacio	Filipino	1,000	100.00	100.00	nil
Ana Christi G. Galura	Filipino	1,000	100.00	100.00	nil
TOTAL		2,000,000,000	200,000,000.00	190,000,000.00	100.00%

On May 27, 2025, the Company issued 1,000 additional shares each to Mr. Senen L. Matoto and Mr. Antonio N. Jacinto, who were elected as independent directors of the Company.

Stockholders			Nationality	No. of Common Shares Subscribed	Amount Subscribed (₱)	Amount Paid-Up (₱)	Percentage of Ownership
Hann Group Holdings W.L.L.			Bahraini	1,999,995,000	1,999,995,000.00	1,999,995,000.00	100%
Dae Sik Han			Korean	1,000	100.00	100.00	nil
Ronaldo Modesto J. Ventura			Filipino	1,000	100.00	100.00	nil
Agnes A. Liwanag			Filipino	1,000	100.00	100.00	nil
Mitchell A. Estacio			Filipino	1,000	100.00	100.00	nil
Tarek Aouini			Tunisian	1,000	100.00	100.00	nil
Senen L. Matoto			Filipino	1,000	1,000.00	100.00	nil
Antonio N. Jacinto			Filipino	1,000	1,000.00	100.00	nil
TOTAL				2,000,002,000	200,000,200.00	200,000,200.00	100.00%

For illustration, the following table shows the impact of the amendments on the earnings per share and book value per share as of March 31, 2025. Aside from the impact on earnings per share and book value per share, such changes have no other impact on our financial ratios.

	As of March 31, 2025			
	Original Par Value of ₱100.00		As Adjusted to Give Effect to the Change in Par Value (reducing the Par Value to ₱0.10 and Increase in Capital Stock)	
	No. of Shares	Amount (₱)	No. of Shares	Amount (₱)
Authorized capital stock	1,600,000	160,000,000	4,100,000,000	410,000,000
Issued and outstanding capital stock	400,000	40,000,000	2,000,000,000	200,000,000
Total subscribed capital stock.....	400,000	40,000,000	2,000,000,000	200,000,000
Total equity (₱ millions).....	N/A	11,356.0	N/A	11,516.0
Book value per share⁽²⁾	N/A	28,390.0	N/A	5.8
Net income (₱ millions)	N/A	842.3	N/A	842.3
Basic earnings per share⁽³⁾	N/A	2,105.9	N/A	0.4

Notes:

(1) The weighted average number of shares takes into account the effect of changes in treasury shares during the period.

(2) Book value per share is computed by dividing total stockholders' equity of the Company by the total number of outstanding shares.

(3) Basic earnings per share is computed by dividing net income by the weighted average number of shares.

DESCRIPTION OF THE COMMON SHARES

The following is general information relating to our capital stock but does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of our Articles of Incorporation and By-Laws.

The Offer Shares shall be offered at a price of up to ₱[23.60] per Offer Share (the “**Offer Price**”). The determination of the Offer Price is further discussed on page 64 of this Prospectus. A total of [2,500,003,000] Common Shares will be outstanding after the Offer and the Offer Shares will comprise up to [22.0]% of the outstanding Common Shares after the Offer, assuming the full exercise of the Overallotment Option.

SHARE CAPITAL INFORMATION

Pursuant to our amended Articles of Incorporation to implement the Offer, as approved by the Board of Directors and stockholders on April 5, 2024 and approved by the Philippine SEC on August 30, 2024, HHI has an authorized capital stock of ₱410,000,000.00 divided into (i) 4,100,000,000 Common Shares with a par value of ₱0.10 per common share. As of March 31, 2025, HHI has 2,000,002,000 issued and outstanding Common Shares.

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in its articles of incorporation and by-laws. A Philippine corporation may also increase or decrease its authorized capital stock, provided that the increase or decrease is approved by a majority of the board of directors and by shareholders representing at least two-thirds of the outstanding capital stock of the corporation voting at a shareholders’ meeting duly called for the purpose and is duly approved by the Philippine SEC.

We may acquire our own shares for a legitimate corporate purpose as long as it has unrestricted retained earnings or surplus profits sufficient to pay for the shares to be acquired, such as in the following instances: (i) elimination of fractional shares arising out of stock dividends, (ii) the purchase of shares of dissenting shareholders exercising their appraisal right and (iii) the collection or compromise of an indebtedness arising out of an unpaid subscription in a delinquency sale or to purchase delinquent shares during such sale. Upon repurchase of its own shares, the shares become treasury shares, which may be resold at a reasonable price fixed by the board of directors.

The Board of Directors is authorized to re-issue shares from the treasury from time to time.

RIGHTS RELATING TO SHARES

A. Voting Rights of Shares

Each Common Share is entitled to one vote. At each meeting of the shareholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to one vote for each share of stock standing in his name in our books at the time of the closing of the transfer books for such meeting.

In accordance with Section 23 of the Revised Corporation Code of the Philippines, at each election of directors, every stockholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him as of the relevant record date for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate the number of votes equal to the number of directors to be elected multiplied by the number his shares shall equal or by distributing such votes on the same principle among any number of candidates as the stockholder shall see fit.

Our Common Shares have full voting rights. However, the Revised Corporation Code provides that voting rights cannot be exercised with respect to shares declared by the Board of Directors as delinquent, treasury shares, or if the shareholder has elected to exercise his right of appraisal referred to below.

B. Dividend Rights of Common Shares

We are allowed to declare dividends out of our unrestricted retained earnings at such times and in such percentages as may be determined by the Board of Directors. Such determination will take into consideration factors such as debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves and working capital, among other things. The PDTC has an established mechanism for distribution of dividends to beneficial owners of the shares which are traded through the PSE and lodged with the PDTC as required for scripless trading.

Under Philippine law, we can only declare dividends to the extent that we have unrestricted retained earnings that represent the amount of accumulated profits and gains realized out of our normal and continuous operations after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts, and which is: (1) not appropriated by the Board of Directors for corporate expansion projects or programs; (2) not covered by a restriction for dividend declaration under a loan agreement; and (3) not required to be retained under special circumstances obtaining in the corporation such as when there is a need for a special reserve for probable contingencies. We may pay dividends in cash, property or by the issuance of shares. Dividends may be declared by the Board of Directors except for stock dividends which may only be declared and paid with the approval of shareholders representing at least two-thirds of our issued and outstanding capital stock voting at a shareholders' meeting duly called for the purpose.

A cash dividend declaration does not require any further approval from the shareholders. A stock dividend declaration requires the further approval of shareholders holding or representing not less than two-thirds of our outstanding capital stock. The Revised Corporation Code defines the term "outstanding capital stock" to mean the "total shares of stock issued under binding subscription contracts to subscribers or stockholders, whether fully or partially paid, except treasury shares." Such shareholders' approval may be given at a general or special meeting duly called for such purpose. See "*Dividends and Dividend Policy*" on page 61 of this Prospectus.

C. Dividend and Other Rights of Preferred Shares

Preferred shares may be issued from time to time in one or more series as the Board of Directors may determine, and authority is expressly granted to the Board of Directors to establish and designate each particular series of preferred shares, to fix the number of shares to be included in such series, and to determine the dividend rate, issue price and other terms and conditions for each such shares. Preferred shares of each and any series shall not be entitled to any participation or share in the retained earnings after dividend payments shall have been made on the preferred shares. The specific terms and restrictions of each series of preferred shares shall be specified in such resolutions as may be adopted by the Board of Directors prior to the issuance of such which resolution(s) shall be filed with the Philippine SEC and upon approval thereof shall be deemed a part of the Articles of Incorporation, as amended.

D. Rights of Shareholders to Assets of the Company

Each holder of a common share and preferred share is entitled to a pro rata share in our assets available for distribution to the shareholders in the event of dissolution, liquidation and winding up.

E. Pre-emptive Rights

Pursuant to an amendment to the Articles of Incorporation approved by the Board of Directors and the stockholders on April 5, 2024 and approved by the Philippine SEC on August 30, 2024, our stockholders shall have no pre-emptive right to subscribe to any issue or disposition of shares of any class of the Company.

F. Appraisal Rights

Under Philippine law, shareholders dissenting from the following corporate actions may demand payment of the fair value of their shares in certain circumstances:

- (a) in case any amendment to the corporation's articles of incorporation has the effect of changing and restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class;
- (b) in case of any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets;
- (c) in case of merger or consolidation;
- (d) in case the corporation decides to invest its funds in another corporation or business or for any purpose other than the primary purpose; and
- (e) in case of extension or shortening of the term of corporate existence.

In these circumstances, the dissenting shareholder may require the corporation to purchase his shares at a fair value which, in default, is determined by three disinterested persons, one of whom shall be named by the stockholder, one by the corporation, and the third by the two thus chosen. The appraisal rights may be exercised by the dissenting stockholder by making a written demand within thirty (30) days after the date on which the vote was taken on the corporate action. The failure to make the demand within the period shall be deemed a waiver of the appraisal rights.

The payment to the dissenting stockholder of the fair value of his shares will only be available if the Company has unrestricted retained earnings to cover such purchase. From the time the shareholder makes a demand for payment until the Issuer purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of the share.

G. Derivative Rights

Under Philippine law, shareholders have the right to institute proceedings on behalf of the corporation in a derivative action in the event that the corporation itself is unable or unwilling to institute the necessary proceedings to rectify the wrongs committed against the corporation or to vindicate corporate rights as, for example, where the directors themselves are the malefactors.

H. Right of Inspection

It is a recognized right of a shareholder to inspect the corporate books, records of all business transactions of the corporation and the minutes of any meeting of the Board and shareholders at reasonable hours on business days and may demand a copy of excerpts from such records or minutes at his or her expense. On the other hand, the corporation may refuse such inspection if the shareholder demanding to examine or copy the records of the corporation has improperly used any information secured through any prior examination, or was not acting in good faith or for a legitimate purpose in making his demand.

I. Right to Financial Statements

Another recognized right of a shareholder is the right to be furnished with the most recent financial statement of the corporation, which shall include a balance sheet as of the end of the last taxable year and a profit and loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the results of its operations. At the meeting of shareholders, the board of directors is required to present to the shareholders a financial report of the operations of the corporation for the preceding year, which shall include financial statements duly signed and certified by an independent certified public accountant.

J. Change in Control

There are no existing provisions in our amended Articles of Incorporation or the By-Laws which will delay, defer or in any manner prevent a change in control of the Company.

SHAREHOLDERS' MEETINGS

A. Annual or Regular Shareholders' Meetings

All Philippine corporations are required to hold an annual meeting of shareholders for corporate purposes, one of which is the election of directors. Our by-laws provide for annual meetings on the 8th of June of each year, and if a legal holiday, then on the next business day following.

B. Special Shareholders' Meeting

Special meetings of shareholders, for any purpose or purposes, may at any time be called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock; or (b) President.

C. Notice of Shareholders' Meeting

Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery, mail, electronic means, or any other mode of sending notices of meetings as may be allowed by the SEC, including by publication in a newspaper of general circulation in printed or online format, at least 21 days prior to the date of

the meeting to each stockholder of record at his last known address, for regular meetings, or at least seven days before the date of the meeting, for special meetings, with postage and/or delivery charges prepaid, to each stockholder of record of the Corporation entitled to vote at such meeting and addressed to the stockholder's last known address, or electronic mail or messaging address, as the case may be, which appear in the corporate records of the Corporation. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and time of the meeting, and the purpose or purposes for which the meeting is called. Notices of meetings of the stockholders shall be sent by the Secretary (i) by personal delivery; (ii) by mail; or (iii) electronic message at least 21 calendar days for regular meetings and seven business days for special meetings, or such other period as may be allowed by applicable regulations, prior to the date of the meeting to each stockholder of record at his last known address or electronic mail address. This notice period applies in the case of a special meeting of shareholders. In case of regular meetings of shareholders, written notice must be sent at least 21 days prior to the scheduled regular meeting, in accordance with Philippine SEC Memorandum Circular No. 6, series of 2020. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. In case of special meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting. Notice of any meeting may be waived, expressly or impliedly, by any shareholder, in person or by proxy, before or after the meeting.

When the meeting of the shareholders is adjourned to another time or place, notice of the adjourned meeting need not be provided so long as the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is decided. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

D. Quorum

Unless otherwise provided by law, shareholders who own or hold a majority of the outstanding capital shares must be present or represented in all regular or special meeting of shareholders in order to constitute a quorum, except in cases where the Revised Corporation Code provides a greater percentage vis-a-vis the total outstanding capital shares. If no quorum is constituted, the meeting shall be adjourned until shareholders who own or hold the requisite number of shares shall be present or represented. At all meetings of stockholders, regular or special, a stockholder may vote in person, or by proxy through remote communication, or in absentia.

Upon approval of and upon notice by the Board of Directors, meetings may be attended by the stockholders either in person or by remote communication through video or teleconference or such other means as may subsequently be permitted by applicable law or regulation.

E. Voting

Each shareholders shall have one may vote at all meetings the corresponding number of for each shares of stock entitled to vote and recorded in his name in the books of the Corporation. All elections and all questions shall be decided by the plurality of votes of stockholders present in person, by proxy, through remote communication, or in absentia, and entitled to vote thereat, a quorum being present, except in cases where other voting requirements is required by statute, registered in their respective names, either in person or by proxy duly appointed as discussed herein below.

F. Fixing Record Dates

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person by proxy, through remote communication, or in absentia. Unless otherwise provided in the proxy, the proxy shall only be valid for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary at least ten (10) days before the date scheduled for the meeting or by proxy. A proxy shall be in writing and duly presented to and received by the Corporate Secretary for inspection and recording within five business days prior to the scheduled meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting, or by their personal presence at the meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. No proxy shall be valid and effective for a period longer than five years at any one time.

In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date shall be fixed by the Philippine SEC and shall be indicated in the Philippine SEC order which shall not be less than ten days nor more than 30 days after all clearances and approvals by the Philippine SEC shall have been secured. Regardless of the kind of dividends, the record date set shall not be less than ten trading days from receipt by the PSE of the notice of declaration of the dividend.

G. Proxies

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy. A proxy shall be in writing and duly presented to and received by the Corporate Secretary for inspection and recording within five business days prior to the scheduled meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. No proxy shall be valid and effective for a period longer than five years at any one time.

No member of the PSE and no broker/dealer shall give any proxy, consent or authorization, in respect of any securities carried for the account of a customer to a person other than the customer, without the express written authorization of such customer. The proxy executed by the broker shall be accompanied by a certification under oath stating that before the proxy was given by the broker, he had duly obtained the written consent of the persons in whose account the shares are held. There shall be a presumption of regularity in the execution of proxies and proxies shall be accepted if they have the appearance of prima facie authenticity in the absence of a timely and valid challenge. Proxies are required to comply with the relevant provisions of the Revised Corporation Code, the SRC, the Implementing Rules and Regulations of the SRC (as amended), and Philippine SEC Memorandum Circular No. 5 (series of 1996) issued by the Philippine SEC.

ISSUE OF SHARES

Subject to otherwise applicable limitations, we may issue additional shares to any individual for consideration deemed fair by the Board of Directors, provided said consideration shall not be less than the par value of the issued shares. No share certificates shall be issued to a subscriber until the full amount of the subscription together with interest and expenses (in case of delinquent Shares) has been paid and proof of payment of the applicable taxes shall have been submitted to our Corporate Secretary. Under the PSE Rules, only fully-paid shares may be listed on the PSE.

TRANSFER OF COMMON SHARES

All transfer of shares on the PSE shall be done by means of a book-entry system. Pursuant to this system of trading and settlement, a registered shareholder transfers legal title over the shares to such nominee, but retains beneficial ownership over the shares. A shareholder transfers legal title by surrendering the stock certificate representing his shares to participants of the PDTC System (i.e., brokers and custodian banks) that, in turn, lodge the same with the PCD Nominee Corporation ("**PCD Nominee**"). A shareholder may request his shares to be uplifted from the PDTC, in which case a certificate of stock is issued to the shareholder and the shares are registered in the name of the shareholder. See "*The Philippine Stock Market*" on page 221 of this Prospectus.

Under Philippine law, transfer of the Common Shares is not required to be effected on the PSE, but any off exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the stock transfer tax applicable to transfers effected on an exchange. See "*Philippine Taxation*" on page 227 of this Prospectus. All transfers of Shares on the PSE must be effected through a licensed stockbroker in the Philippines.

SHARE REGISTER

Our share register is maintained at the principal office of our share transfer agent, Stock Transfer Service, Inc.

SHARE CERTIFICATES

Certificates representing the Common Shares will be issued in such denominations as shareholders may request, except that certificates will not be issued for fractional shares. For Shareholders who wish to split their certificates, they may do so through application to our stock transfer agent. Shares may also be lodged and maintained under the book-entry system of the PDTC. See "*The Philippine Stock Market*" beginning on page 221 of this Prospectus.

MANDATORY TENDER OFFER

Pursuant to the SRC and its implementing rules and regulations, it is mandatory for any person or group of persons acting in concert to make a tender offer to all the shareholders of the target corporation before the intended acquisition of:

- (a) 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board of directors in a public company in one or more transactions within a period of 12 months;
- (b) 35% of the outstanding voting shares or such outstanding voting shares that are sufficient to gain control of the board of directors in a public company directly from one or more stockholders; or
- (c) equity which would result in ownership of over 50% of the outstanding equity securities of a public company.

Pertaining to the first instance, when the securities tendered pursuant to such an offer exceed the number of shares that the acquiring person or group of persons is willing to acquire, the securities shall be purchased from each tendering shareholder on a pro rata basis according to the number of securities tendered by each security holder. In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed to both selling shareholders with whom the acquirer may have been in private negotiations with and the minority shareholders.

Pertaining to the second instance, the tender offer shall be made for all the outstanding voting shares. The sale of shares pursuant to the private transaction with the stockholders shall not be completed prior to the closing and completion of the tender offer.

Pertaining to the third instance, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of the company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer shall be required to accept all securities tendered.

Further, no mandatory tender is required on:

- (a) purchases of shares from unissued capital shares unless such purchases will result in a 50% or more ownership of shares by the purchaser or such percentage that is sufficient to gain control of the board of directors;
- (b) purchases from an increase in the authorized capital shares of the target company;
- (c) purchases in connection with a foreclosure proceeding involving a pledge or security where the acquisition is made by a debtor or creditor;
- (d) purchases in connection with a privatization undertaken by the government of the Philippines;
- (e) purchases in connection with corporate rehabilitation under court supervision;
- (f) purchases through an open market at the prevailing market price; or
- (g) purchases resulting from a merger or consolidation.

CHANGE IN CONTROL

There are no existing provisions in our amended Articles of Incorporation or the By-Laws which will delay, defer or in any manner prevent a change in control of the Company.

FUNDAMENTAL MATTERS

The Revised Corporation Code provides that the following acts of the corporation require the approval of shareholders representing at least two-thirds (2/3) of the issued and outstanding capital stock of the corporation: (i) amendment of the articles of incorporation; (ii) removal of directors; (iii) sale, lease, exchange, mortgage,

pledge or other disposition of all or substantially all of the assets of the corporation; (iv) investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the corporation was organized; (v) delegation to the board of directors of the power to amend or repeal by-laws or adopt new by-laws; (vi) merger or consolidation; (vii) an increase or decrease in capital stock; (viii) dissolution; (ix) extension or shortening of the corporate term; (x) creation or increase of bonded indebtedness; (xi) declaration of stock dividends; (xii) management contracts with related parties; and (xiii) ratification of contracts between the corporation and a director or officer.

Further, the approval of shareholders holding a majority of the outstanding capital shares of a Philippine corporation, including non-voting shares, is required for the adoption or amendment of the by-laws of such corporation.

ACCOUNTING AND AUDITING REQUIREMENTS

Philippine stock corporations are required to file copies of their annual financial statements with the Philippine SEC. In addition, public corporations are required to file quarterly financial statements (for the first three quarters) with the Philippine SEC. Those corporations whose shares are listed on the PSE are additionally required to file said quarterly and annual financial statements with the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board of Directors is required to present to shareholders at every annual meeting a financial report of our operations for the preceding year. This report is required to include audited financial statements.

THE PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Underwriters, or any of their respective subsidiaries, affiliates or advisors in connection with the sale of the Offer Shares.

THE EXCHANGE

The Philippine Stock Exchange, Inc. (the “PSE”) is the only stock exchange in the Philippines. It is one of the oldest stock exchanges in Asia, having been in continuous operation since the establishment of the Manila Stock Exchange in 1927. The PSE previously maintained two trading floors, one in Makati City and the other in Pasig City, which were linked by an automated trading system that integrated all bid and ask quotations from the bourses. In February 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City. The PSE Tower houses the PSE corporate offices and a single, unified trading floor.

BRIEF HISTORY

The Philippines initially had two stock exchanges, the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulatory, governed by its respective Board of Governors elected annually by its members.

Several steps initiated by the Government have resulted in the unification of the two bourses into the PSE. The PSE was incorporated on July 14, 1992 as a non-stock corporation by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. While the PSE maintains two trading floors, one in Makati City and the other in Pasig City, these floors are linked by an automated trading system, which integrates all bids, and ask quotations from the bourses.

In June 1998, the Philippine SEC granted the PSE “Self-Regulatory Organization” status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On August 3, 2001, the PSE completed its demutualization and converted from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the SRC.

Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of ₱1 per share. In addition, a trading right evidenced by a “Trading Participant Certificate” was immediately conferred on each member-broker allowing the use of the PSE’s trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President.

On December 15, 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, and mining and oil sectors, companies are listed either on the PSE’s Main Board or the Small, Medium and Emerging Board. On April 13, 2013, the PSE issued Rules on Exchange Traded Funds (“ETF”) which provides for the listing of ETFs on an ETF Board separate from the PSE’s existing boards. Previously, the PSE allowed listing on the First Board, Second Board or the Small, Medium and Enterprises Board. With the issuance by the PSE of its Memorandum No. CN-No. 2013-0023 dated June 6, 2013, revisions to the PSE Listing Rules were made, among which changes are the removal of the Second Board listing and the requirement that lock-up rules be embodied in the articles of incorporation of the Issuer. Each index represents the numerical average of the prices of component stocks.

The PSE has an index, referred to as the PSEi (previously “PHISIX”), which, as of the date thereof, reflects the price movements of selected stocks listed on the PSE, based on traded prices of stocks from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective as of April 3, 2006, simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. The PSEi is composed of 30 selected stocks listed on the PSE. In July 2010, the PSE’s new trading system, now known as PSE Trade, was launched. In June 2015, the PSE Trade system was replaced by PSE Trade XTS.

The PSE launched its Corporate Governance Guidebook in November 2010 as another initiative of the PSE to promote good governance among listed companies. It is composed of ten guidelines embodying principles of good business practice and is based on internationally recognized corporate governance codes and best practices.

With the increasing calls for good corporate governance and the need to consistently provide full, fair, accurate and timely information, the PSE has adopted an online daily disclosure system to improve the transparency of listed companies and enhance access to such reports by the investing public. In December 2013, the PSE replaced its Online Disclosure System (“OdiSy”) with a new disclosure system, the PSE EDGE, which was acquired from the Korea Exchange and is a fully automated system, equipped with a variety of features to (i) further standardize the disclosure reporting process of listed companies on the PSE, (ii) improve investors’ disclosure searching and viewing experience and (iii) enhance overall issuer transparency in the market.

In January 2018, the PSE transferred to its new office located at the PSE Tower, Bonifacio Global City, Taguig City, which currently houses the unified trading floors in Makati City and Pasig City. On March 22, 2018, the PSE completed a stock rights offering of 11,500,000 common shares which were offered at the price of ₱252.00 per share, or a total of ₱2,898,000,000. The proceeds of the stock rights offering were used to fund the acquisition of PDS and capital expenditure requirements of the PSE. As of the date of this Prospectus, the PSE has an authorized capital stock of ₱120 million composed of 106 million common shares with a par value of ₱1.00 per share and 14 million preferred shares with a par value of ₱1.00 per share, of which 85,781,827 shares are issued. Out of this total, 82,267,875 shares are outstanding, and 3,513,952 are treasury common shares.

The table below indicates the number of listed companies, market capitalization, and value of shares traded for the same period:

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization	Combined Value of Turnover
			(in ₱ billions)	(in ₱ billions)
2005.....	2,096.0	237	5,948.4	383.5
2006.....	2,982.5	239	7,173.2	572.6
2007.....	3,621.6	244	7,977.6	1,338.3
2008.....	1,872.9	246	4,069.2	763.9
2009.....	3,052.7	248	6,029.1	994.2
2010.....	4,201.1	253	8,866.1	1,207.4
2011.....	4,372.0	245	8,697.0	1,422.6
2012.....	5,812.7	254	10,952.7	1,771.7
2013.....	5,889.8	257	11,931.3	2,546.2
2014.....	7,230.6	263	14,251.7	2,130.1
2015.....	6,952.1	265	13,465.2	2,151.4
2016.....	6,840.6	268	14,438.8	1,929.5
2017.....	8,558.4	267	17,583.1	1,960.0
2018.....	7,466.0	267	16,150.0	1,740.0
2019.....	7,815.3	268	16,710.0	1,770.0
2020.....	7,139.7	271	15,890.0	1,770.0
2021.....	7,122.6	276	18,081.1	2,233.1
2022.....	6,566.4	286	16,560.0	1,790.0
2023.....	6,540.0	283	16,740.0	1,474.9
2024.....	6,528.8	283	20,007.6	1,494.9

Source: PSE and PSE Annual Reports.

TRADING

The PSE is a double auction market. Buyers and sellers are each represented by stockbrokers. To trade, bid or ask prices are posted on the PSE’s electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading day). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade.

Equities trading on the PSE starts at 9:30 a.m. and ends at 12:00 noon for the morning session, and resumes at 1:00 p.m. and ends at 3:00 p.m. for the afternoon session, with a ten-minute extension during which transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays and days when the BSP clearing house is closed and such other days as may be declared by the Philippine SEC or the PSE, to be a non-trading day.

Minimum trading lots range from five to 1,000,000 shares depending on the price range and nature of the security traded. The minimum trading lot for our Common Shares is 10 shares. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, whenever an order will result in a breach of the trading threshold of a security within a trading day, the trading of that security will be frozen. Orders cannot be posted, modified or cancelled for a security that is frozen. In cases where an order has been partially matched, only the portion of the order that will result in a breach of the trading threshold will be frozen. Where the order results in a breach of the trading threshold, the following procedures shall apply:

- (a) in the event the static threshold is breached, the PSE will accept the order, provided the price is within the allowable percentage price difference under the implementing guidelines of the revised trading rules (i.e., 50% of the previous day's reference or closing price, or the last adjusted closing price). Otherwise, such order will be rejected. In cases where the order is accepted, the PSE will adjust the static threshold to 60%. All orders breaching the 60% static threshold will be rejected by the PSE;
- (b) in the event the dynamic threshold is breached, the PSE will accept the order if the price is within the allowable percentage price difference under the existing regulations (i.e., 20% for security cluster A and newly-listed securities, 15% for security cluster B and 10% for security cluster C). Otherwise, such order will be rejected by the PSE.

As of May 20, 2025, there are 123 active PSE Trading Participants.

NON-RESIDENT TRANSACTIONS

When the purchase or sale of Philippine shares involves a non-resident, whether the transaction is effected in the domestic or foreign market, it will be the responsibility of the securities dealer/broker to register the transaction with the BSP. The local securities dealer/broker shall file with the BSP, within three Business Days from the transaction date, an application in the prescribed registration form. After compliance with other required undertakings, the BSP shall issue a Certificate of Registration. Under BSP rules, all registered foreign investments in Philippine securities including profits and dividends, net of taxes and charges, may be repatriated.

SETTLEMENT

The Securities Clearing Corporation of the Philippines (“SCCP”) is a wholly-owned subsidiary of the PSE and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. SCCP received its permanent license to operate on January 17, 2002. It is responsible for: (a) synchronizing the settlement of funds and the transfer of securities through delivery versus payment, as well as clearing and settlement of transactions of clearing members, who are also PSE trading participants; (b) guaranteeing the settlement of trades in the event of a PSE Trading Participant's default through the implementation of its “Fails Management System” and administration of the Clearing and Trade Guaranty Fund, and; (c) performance of risk management and monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a two-day rolling settlement environment, which means that settlement of trades takes place two days after transaction date (T+2). The deadline for settlement of trades is 12:00 noon of T+2. Securities sold should be in scripless form and lodged under the book entry system of the PDTC. Each PSE Trading Participant maintains a Cash Settlement Account with one of the ten (10) existing Settlement Banks of SCCP which are Asia United Bank Corporation (“AUB”), BDO Unibank, Inc. (“BDO Unibank”), China Banking Corporation (“Chinabank”), Deutsche Bank (“DB”), East West Banking Corporation (“EW”), The Hongkong and Shanghai Banking Corporation Limited (“HSBC”), Maybank Philippines, Inc. (“Maybank”), Metropolitan Bank & Trust Company (“Metrobank”), Rizal Commercial Banking Corporation (“RCBC”) and Union Bank of

the Philippines (“**Unionbank**”). Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its Central Clearing and Central Settlement (“**CCCS**”) system on May 29, 2006. CCCS employs multilateral netting, whereby the system automatically offsets “buy” and “sell” transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each clearing member. All cash debits and credits are also netted into a single net cash position for each clearing member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-eligible trade cleared through it.

SCRIPLESS TRADING

In 1995, the PDTC, was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the Philippine SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders’ meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, AUB, BDO Unibank, Chinabank, DB, EW, HSBC, Maybank, Metrobank, RCBC and Unionbank.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee, a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. “Immobilization” is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares to PCD Nominee will be recorded in the Issuer’s registry. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the Philippine SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant’s aggregate holdings, in the PDTC system, and with respect to each beneficial owner’s holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must execute the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP and into the PDTC system. Once it is determined on the settlement date (T+2) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS system, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities.

If a shareholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedure of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are generally on the account of the uplifting shareholder.

The difference between the depository and the registry would be on the recording of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the underlying certificates are in the PCD nominee's name. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents' books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

AMENDED RULE ON LODGMENT OF SECURITIES

On June 24, 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on July 1, 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the Philippine SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the SRC. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III, Part A of the PSE's Revised Listing Rules.

For listing applications, the amended rule on lodgment of securities is applicable to:

- (a) the offer shares/securities of the applicant company in the case of an initial public offering;
- (b) the shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Philippine SEC in the case of a listing by way of introduction;
- (c) new securities to be offered and applied for listing by an existing listed company;
- (d) and additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof, to wit:

- (a) for a new company to be listed at the PSE as of July 1, 2009, the usual procedure will be observed but the transfer agent of the company shall no longer issue a certificate to PCD Nominee but shall issue a registry confirmation advice, which shall be the basis for the PDTC to credit the holdings of the depository participants on listing date;
- (b) on the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as of confirmation date.

ISSUANCE OF STOCK CERTIFICATES FOR CERTIFICATED SHARES

On or after the listing of the shares on the PSE, any beneficial owner of the shares may apply with PDTC through his broker or custodian-participant for withdrawal from the book-entry system and return to the conventional paper-based settlement. If a shareholder wishes to withdraw his stockholdings from the PDTC system, the PDTC has a procedure of upliftment under which the PCD Nominee will transfer back to the shareholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedures of the PDTC for the uplifting of the shares lodged under the name of the PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under the PCD Nominee.

Upon the issuance of stock certificates for the shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system, and trading on such shares will follow the normal process for settlement of certificated securities. The expenses for upliftment of the shares into certificated securities will be charged to the person applying for upliftment. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading and book-entry settlement will be permitted until the relevant stock certificates in the name of the person applying for upliftment shall have been issued by the relevant company's transfer agent.

AMENDED RULE ON MINIMUM PUBLIC OWNERSHIP

Under the PSE Amended Rule on Minimum Public Ownership, listed companies are required, at all times, to maintain a minimum percentage of listed securities held by the public of 10.0% of the listed companies' total issued and outstanding shares (i.e., exclusive of treasury shares), or at such percentage that may be prescribed by the PSE. For purposes of determining compliance with the Rule on MPO, shares held by the following are generally considered "held by the public": (a) individuals (for as long as the shares held are not of a significant size (i.e., less than 10.0%)) and are non-strategic in nature; (b) trading participants (for as long as the shares held are nonstrategic in nature); (c) investment and mutual funds; (d) pension funds; (e) PCD nominees if this account constitutes a number of shareholders, none of which has significant holdings (provided that if an owner of shares under the PCD Nominee has a shareholding that is 10% or more of the total issued and outstanding shares, then this shareholder is considered a principal stockholder); and (f) social security funds.

Listed companies that become non-compliant with the MPO on or after January 1, 2013 will be suspended from trading for a period of not more than six months and will automatically be delisted if it remains non-compliant with the MPO after the lapse of the suspension period. Suspended or delisted shares will not be traded on the exchange. In addition, sale of shares of listed companies that do not maintain the MPO are not considered publicly listed for taxation purposes and should, therefore, be subjected to capital gains tax and documentary stamp tax.

In accordance with the Philippine SEC Memorandum Circular No. 13 Series of 2017 issued on December 1, 2017, the MPO requirement on companies that undertake initial public offerings or a backdoor listing was increased from 10.0% to 20.0%, while existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. For companies doing a backdoor listing, the 20% MPO requirement shall be reckoned from the actual issuance or transfer (as may be applicable) of the securities which triggered the application of the Backdoor Listing Rules or from actual transfer of the business in cases where the Backdoor Listing Rules are triggered by a substantial change in business. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20%, as applicable, of the listed companies' issued and outstanding shares, exclusive of any treasury shares.

The Philippine SEC is also looking at increasing the MPO requirement of existing listed companies to 25.0% for all listed companies; however, such proposed rules on increasing the MPO have yet to be adopted.

SHORT SELLING RULES

On October 2, 2023, the PSE announced that the PSE Guidelines for Short Selling Transactions shall take effect immediately and that it would officially launch its short selling program on October 23, 2023. However, the planned launch and implementation of the PSE Guidelines for Short Selling Transactions was eventually postponed to November 6, 2023.

Under the PSE Guidelines for Short Selling Transactions, as amended, securities that are eligible for short selling are limited to PSEi constituents, MidCap Index constituents, Dividend Yield Index constituents, and exchange traded funds. An eligible security must maintain a ratio of short interest to outstanding shares at less than or equal to 10% or as may be prescribed by the PSE. The "short interest" or the "outstanding short position" refers to the cumulative number of shares of a security sold short that have not yet been closed out, adjusted for corporate actions as may be applicable.

The PSE trading system shall not accept short selling orders for ineligible securities. Only PSE trading participants are allowed to enter short selling orders. Clients who want to place short selling orders must course these orders through their respective trading participants. Prior to entering the short selling order, the trading participant is required to determine that the client has entered into the necessary borrowing arrangements for the eligible securities subject of the short sale. Trading participants must also comply with the uptick rule under Section 3 of SRC Rule 24.2-2 and Section 5.2(b) of the Revised Trading Rules of the Exchange, or relevant revisions thereto. The requirements of the PSE and the Philippine SEC on securities borrowing and lending should be complied with by the short seller for purposes of complying with the PSE Trading Rules prohibition against "naked short sales."

PHILIPPINE TAXATION

The following is a general description of certain Philippine tax aspects of the investment in the Company. The following discussion is based upon laws, regulations, rulings, income tax treaties, administrative practices and judicial decisions in effect at the date of this prospectus and is subject to any changes occurring after such date. Subsequent legislative, judicial or administrative changes or interpretations may be retroactive and could affect the tax consequences to the prospective investor.

The tax treatment of a prospective investor may vary depending on such investor's particular situation and certain investors may be subject to special rules not discussed below. This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates. This discussion does not provide information regarding the tax aspects of acquiring, owning, holding or disposing of the shares under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequences in light of particular situations of acquiring, owning, holding and disposing of the shares in such other jurisdictions.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE PARTICULAR TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE COMMON SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF LOCAL AND NATIONAL TAX LAWS.

*The following is a general description of certain Philippine tax aspects of the investment in the Common Shares. It is based on the present provisions of the Tax Code, as amended by the Corporate Recovery and Tax Incentives for Enterprises Act (“**CREATE**”), and the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Prospectus, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.*

As used in this section, the term “resident alien” refers to an individual whose residence is within the Philippines and who is not a citizen thereof. A “non-resident alien” is an individual whose residence is not within the Philippines and who is not a citizen thereof. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a “non-resident alien engaged in trade or business in the Philippines;” otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a “non-resident alien not engaged in trade or business in the Philippines.” A “domestic corporation” is created or organized under the laws of the Philippines; a “resident foreign corporation” is a non-Philippine corporation engaged in trade or business in the Philippines; and a “non-resident foreign corporation” is a non-Philippine corporation not engaged in trade or business in the Philippines. The term “non-resident holder” means a holder of the shares of stock:

- (a) who is an individual and is neither a citizen nor a resident of the Philippines, or an entity which is a non-resident foreign corporation; and*
- (b) should an income tax treaty be applicable, whose ownership of the shares of stock is not effectively connected with a fixed base or a permanent establishment in the Philippines.*

PHILIPPINE TAXATION

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (“**TRAIN Law**”) took effect. The TRAIN Law, which contained an initial package of the tax reforms, amended various provisions of the National Internal Revenue Code of 1997 (“**Philippine Tax Code**”), including those on ordinary income tax of individuals, capital gains tax on the sale and disposition of shares of stock, estate tax, donor's tax, and documentary stamp tax (“**DST**”). On April 11, 2021, the second package of the Comprehensive Tax Reform Program (“**CTRP**”) became effective. While the first package of the TRAIN Law brought about extensive changes to individual income taxation, the second package, Republic Act No. 11534, or CREATE, lowered corporate income tax rates for micro-, small-, and medium-sized enterprises, from 30% to 20%; while Large Corporations are now taxed at a lowered rate of 25%. CREATE also provided other forms of tax relief and a new tax incentive system. On November 11, 2024, Republic Act No. 12066, or the CREATE MORE was signed into law, further amending the CREATE. The CREATE MORE established a simplified value-added tax (“**VAT**”) refund system which aims to reduce delays in tax processes and to streamline procedures for projects that are eligible for incentives, by raising the investment capital thresholds for approval by investment promotion agencies,

from ₱1 billion to ₱15 billion. Significantly, the CREATE MORE extended the maximum duration of availment of tax incentives from 17 years to 27 years. It also amended Section 32(B) of the Tax Code, which now provides that income of any kind, to the extent required by any treaty obligation, shall not be included in the gross income and shall be exempt from income taxation under the Tax Code.

A. Corporate Income Tax

A domestic corporation is subject to a tax of 25% of its taxable income from all sources within and outside the Philippines. Taxable net income refers to items of income specified under Section 32 (A) of the Philippine Tax Code, less itemized deductions under Section 34 of the Tax Code or those allowed under special laws, or the optional standard deduction (“**OSD**”) equivalent to an amount not exceeding 40% of the corporation’s gross income. Under the CREATE MORE, corporations with net taxable income not exceeding ₱5,000,000.00 and with total assets not exceeding ₱100,000,000.00, excluding land on which the particular business entity’s office, plant, and equipment are situated during the taxable year for which the tax is imposed, shall be taxed at the rate of 20%. Additionally, under the same law, domestic corporations and resident foreign corporations that are registered business enterprises under the enhanced deductions scheme provided under the Tax Code shall be taxed at 20% of their taxable income derived from registered projects or activities during each taxable year.

Passive income of a domestic corporations are taxed as follows: (a) gross interest income from Philippine currency bank deposits and yield from deposit substitutes, trust funds and similar arrangements as well as royalties from sources within the Philippines which are generally taxed at the lower final withholding tax rate of 20% of the gross amount of such income; and (b) interest income from a depository bank under the expanded foreign currency deposit system which is subject to a final tax at the rate of 15% of such income.

A minimum corporate income tax of 2% of the gross income as of the end of the taxable year is imposed on a domestic corporation beginning on the fourth taxable year immediately following the year in which such corporation commenced its business operations, when the minimum corporate income tax is greater than the ordinary corporate income tax.

Any excess of the minimum corporate income tax, however, over the ordinary corporate income tax shall be carried forward and credited against the latter for the three immediately succeeding taxable years.

SALE, EXCHANGE OR DISPOSITION OF SHARES AFTER THE IPO

A. Taxes on Transfer of Shares Listed and Traded at the PSE

Unless an applicable income tax treaty exempts the sale from income and/or percentage tax (please see discussion below on tax treaties), a sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder (other than a dealer in securities) is subject to a percentage tax usually referred to as a stock transaction tax at the rate of six-tenths of one percent (6/10 of 1%), 0.6% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, which shall be paid by the seller or transferor. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. A value-added tax (“**VAT**”) of 12% is imposed on the commission earned by the PSE-registered broker who facilitated the sale, barter, exchange or disposition through the PSE, and is generally passed on to the client, the seller or transferor. The stock transaction tax is classified as a percentage tax and is paid in lieu of a capital gains tax. Under certain income tax treaties, the exemptions from capital gains tax may not be applicable to stock transaction tax.

The stock transaction tax will not apply if the shares are sold outside the facilities of the PSE, including during a trading suspension. PSE Memorandum CN-No. 2012-0046 dated August 22, 2012 provides that immediately after December 31, 2012, the Philippine SEC shall impose a trading suspension for a period of not more than six months, on shares of a listed company who has not complied with the MPO which requires listed companies to maintain a minimum percentage of listed securities held by the public at 10% of the listed companies issued and outstanding shares at all times. In accordance with Philippine SEC Memorandum Circular No. 13, Series of 2017 (the “**SEC 2017 Circular**”) which took effect on December 5, 2017, the MPO requirement on companies that undertake initial public offerings was increased from 10.0% to 20.0%. Under the SEC 2017 Circular, existing publicly listed companies as of December 2017 remain to be subject to the 10.0% MPO. The PSE rule on MPO requires that listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of 10.0% or 20.0%, as applicable, of the listed companies’ issued and outstanding shares, exclusive of any treasury shares. The sale of such listed company’s shares during the trading suspension may be effected only

outside the trading system of the PSE and shall therefore be subject to taxes on the sale of shares that are not listed or traded at the stock exchange (i.e., capital gains tax, documentary stamp tax, and possibly donor's tax if the fair market value of the shares of stock sold is greater than the consideration or the selling price, as the amount exceeding the selling price shall be deemed a gift subject to donor's tax under Section 100 of the Tax Code.) Companies which do not comply with the MPO after the lapse of the trading suspension shall be automatically delisted.

The stock transaction tax will also not apply if the shares sold are issued by a corporation that does not meet the MPO requirement, even if the sale is done through the facilities of the PSE. Revenue Regulations No. 16-2012 ("R.R. 16-12") provides that the sale, barter, transfer, and/or assignment of shares of listed companies that fail to meet the MPO requirement after December 31, 2012 will be subject to capital gains tax and DST. R.R. 16-12 also requires publicly listed companies to submit public ownership reports to the BIR within 15 days after the end of each quarter.

B. Capital Gains Tax, if the Sale Was Made Outside the PSE

Pursuant to the TRAIN Law, the net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation (other than a dealer in securities) during each taxable year from the sale, exchange or disposition of shares of stock outside the facilities of the PSE, are subject to capital gains tax at the rate of 15% of the net capital gains realized, beginning January 1, 2018.

The net capital gains realized by a resident foreign corporation or a non-resident foreign corporation during each taxable year from the sale, exchange or disposition of shares of stock in a domestic corporation outside the facilities of the PSE are subject to the following rates:

Not over ₱100,000.....	5%
On any amount in excess of ₱100,000	10%

Unless an applicable treaty exempts such gains from tax or provides for preferential rates, the net capital gains realized by a citizen, resident alien, non-resident alien, whether or not engaged in trade or business within the Philippines, or a domestic corporation, other than a dealer in securities, during each taxable year from the sale, exchange or disposition of shares of stock (i.e., secondary sale of common shares by the holder to another party) outside the facilities of the PSE are subject to capital gains tax at the rate of 15% of the net capital gains realized during the taxable year. Capital gains tax will also apply if the publicly listed company that issued the shares sold does not comply with the MPO.

If an applicable income tax treaty exempts net gains from such sale from capital gains tax, an application for tax treaty relief has to be filed with the BIR in accordance with BIR regulations, and approved by the BIR, to avail of the exemption. (Please see discussion below on tax treaties.)

The transfer of shares shall not be recorded in the books of a company, unless the BIR has issued a Certificate Authorizing Registration ("CAR") which certifies that all applicable taxes relating to the sale or transfer have been paid or, where applicable, tax treaty relief has been confirmed by the International Tax Affairs Division of the BIR in respect of the capital gains tax, or other conditions have been met.

C. Tax on Dividends

Cash and property dividends received from a domestic corporation by individual shareholders who are either citizens or residents of the Philippines are subject to a final tax at the rate of 10%, which shall be withheld by the Company. Cash and property dividends received by non-resident alien individuals engaged in trade or business in the Philippines are subject to a 20% final withholding tax on the gross amount thereof, while cash and property dividends received by non-resident alien individuals not engaged in trade or business in the Philippines are subject to a final withholding tax at 25% of the gross amount, subject, however, to the applicable preferential tax rates under income tax treaties executed between the Philippines and the country of residence or domicile of such non-resident foreign individuals.

Cash and property dividends received from a domestic corporation by another domestic corporation or by a resident foreign corporation are not subject to tax, while those received by a non-resident foreign corporation are

generally subject to a final withholding tax at the rate of the 25%. The 25% tax rate for dividends paid to a non-resident foreign corporation may be reduced to a lower rate of 15% if tax sparing applies, which is when:

- (a) the country where the non-resident foreign corporation is domiciled imposes no tax on foreign sourced dividends; or
- (b) the country of domicile of the non-resident foreign corporation allows at least 10% credit equivalent for taxes deemed to have been paid in the Philippines.

The tax rate above is without prejudice to applicable preferential tax rates under income tax treaties in force between the Philippines and the country of domicile of the non-resident holder.

Through the issuance of Revenue Memorandum Order No. 14-2021 (Streamlining the Procedures and Documents for the Availment of Treaty Benefits, dated March 31, 2021), as clarified by Revenue Memorandum Circular No. 77-21 (Clarification on Certain Provisions of Revenue Memorandum Order No. 14-21, dated June 15, 2021), the BIR revised its procedures for the availment of tax treaty relief. Under these regulations, all income items derived by non-resident taxpayers entitled to tax treaty relief shall be confirmed by the BIR through the filing of either: (a) a request for confirmation (“**RFC**”) by the withholding agent, or (b) a tax treaty relief application (“**TTRA**”) by the non-resident taxpayer, with the required supporting documents in either case. In cases where the dividend arises in the Philippines and is paid to a resident of the other contracting state, most tax treaties to which the Philippines is a party provide for a preferential tax rate of either 15% or 25%.

(a) RFC relating to dividend income

The preferential tax treaty rate may be applied by the withholding agent/income payor on the dividend income of the non-resident foreign shareholder by relying on the submission by such shareholder of the following documents before the dividend income is paid: (a) an application form for treaty purposes, (b) an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the shareholder, and (c) the relevant provision of the applicable tax treaty which prescribes the preferential tax treatment on dividend income. If the tax treaty rate was applied, the withholding agent/income payor must file with the BIR ITAD, a request for confirmation of the use of the tax treaty rate. The RFC must be filed after the payment of the withholding tax and in no case later than the last day of the fourth month following the close of the relevant taxable year. In addition, Revenue Memorandum Circular No. 77-21 prescribes the filing of one consolidated request for confirmation per non-resident income recipient, regardless of the number and type of income payments during the year. The list of all documentary requirements that have to be submitted in support of the request for confirmation is provided under Revenue Memorandum Circular No. 14-2021. The RFC will be denied if the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits. The BIR will also require the withholding agent/income payor to pay the deficiency taxes plus surcharge, interest and penalties.

(b) TTRA relating to dividend income

If the withholding agent/income payor used the regular rate under the Tax Code, the non-resident foreign shareholder may, at any time after its receipt of the dividend income, file a TTRA with BIR ITAD. Like the RFC, the TTRA must also be supported by the documents specified in Revenue Memorandum Circular No. 14-2021. The BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the shareholder may apply for a refund of excess withholding tax within the two-year period provided in Section 229 of the Tax Code, if the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied. The claim for refund of the shareholder may also be filed simultaneously with the TTRA. Since the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information and may also involve the filing of a judicial appeal, it may be impractical to pursue such refund.

(c) Applications relating to capital gains tax or stock transaction tax

In case a non-resident holder who is a resident of a country that has such a tax treaty seeks to avail of exemption from capital gains tax or stock transaction tax, it has to file a request for the BIR to issue a ruling confirming such exemption, along with the required supporting documents, including an application form for treaty purposes, and an authenticated/apostilled tax residency certificate duly issued by the relevant foreign tax authority in favor of the seller. Revenue Memorandum Circular No. 77-21 provides that such application can be filed after the sale

“but shall not be later than the last day of the fourth month following the close of the taxable year when the income is paid or when the transaction is consummated” in case of capital gains. The favorable ruling of the BIR has to be secured before the CAR can be applied for, in case of an application relating to capital gains tax.

D. Preferential Rates under Income Tax Treaties

The following table lists some of the countries with which the Philippines has tax treaties and the tax rates currently applicable to non-resident holders who are residents of those countries:

	Dividends (%)	Stock transaction tax on sale or disposition effected through the PSE (%)(⁹)	Capital Gains tax due on disposition of Shares outside the PSE (%)
Austria.....	25	0.6	May be exempt
Canada.....	25 ⁽¹⁾	0.6	May be exempt ⁽¹³⁾
China.....	15 ⁽²⁾	Exempt ⁽¹⁰⁾	May be exempt ⁽¹³⁾
France.....	15 ⁽³⁾	Exempt ⁽¹¹⁾	May be exempt ⁽¹³⁾
Germany.....	15 ⁽⁴⁾	Exempt ⁽¹²⁾	May be exempt ⁽¹³⁾
Japan.....	15 ⁽⁵⁾	0.6	May be exempt ⁽¹³⁾
Singapore.....	25 ⁽⁶⁾	0.6	May be exempt ⁽¹³⁾
United Kingdom.....	25 ⁽⁷⁾	0.6	Exempt ⁽¹⁴⁾
United States.....	25 ⁽⁸⁾	0.6	May be exempt ⁽¹³⁾

Notes:

- (1) 10.00% if the recipient company holds directly at least 10.00% of the voting power of the company paying the dividends
- (2) 15% if recipient company controls at least 10% of the voting power of the company paying the dividends; 25% in all other cases.
- (3) 10% if the beneficial owner is a company which holds directly at least 10% of the capital of the company paying the dividends; 15% in all other cases.
- (4) 10% if the recipient company (excluding a partnership) holds directly at least 10% of the voting shares of the company paying the dividends; 15% in all other cases.
- (5) 5% if the recipient company (excluding a partnership) holds directly at least 70% of the capital of the company paying the dividends; 10% if the recipient company (excluding a partnership) holds directly at least 25% of the capital of the company paying the dividends.; 15% in all other cases.
- (6) 10% if the recipient company holds directly at least 10% of either the voting shares of the company paying the dividends or of the total shares issued by that company during the period of six months immediately preceding the date of payment of the dividends; 15% in all other cases.
- (7) 15% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year at least 15% of the outstanding shares of the voting shares of the paying company were owned by the recipient company; 25% in all other cases.
- (8) 15% if the recipient company is a company which controls directly or indirectly at least 10% of the voting power of the company paying the dividends; 25% in all other cases.
- (9) 20% if during the part of the taxable year of the paying company which precedes the date of payment of dividends and during the whole of its prior taxable year, at least 10% of the outstanding shares of the voting shares of the paying corporation were owned by the recipient corporation; 25% in other cases. Notwithstanding the rates provided under the Convention between the Government of the Republic of the Philippines and the Government of the United States of America with respect to Taxes on Income, corporations which are residents of the United States may avail of the 15% withholding tax rate under the tax-sparing clause of the Philippine Tax Code provided certain conditions are met.
- (10) If the stock transaction tax is not expressly included in the tax treaty, the income recipient will be subject to stock transaction tax at the rate of 0.6% of the gross selling price as provided under Section 127 of the Philippine Tax Code as amended by the Section 39 of the TRAIN Law.
- (11) Article 2(1)(b) of the Agreement between the Government of the Republic of the Philippines and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed on November 18, 1999.
- (12) Article 1 of the Protocol to the Tax Convention between the Government of the Republic of the Philippines and the Government of the French Republic Signed on January 9, 1976 was signed in Paris, France on June 26, 1995 signed on June 26, 1995.
- (13) Article 2 (3)(a) of Agreement between the Government of the Republic of the Philippines and the Federal Republic of Germany for the Avoidance of Double Taxation with Respect to Taxes on Income and Capital signed on September 9, 2013.
- (14) Capital gains are taxable only in the country where the seller is a resident, provided the shares are not those of a corporation, the assets of which consist principally of real property situated in the Philippines, in which case the sale is subject to Philippine taxes.
- (15) Under the income tax treaty between the Philippines and the United Kingdom, capital gains on the sale of the shares of Philippine corporations are subject to tax only in the country where the seller is a resident, irrespective of the nature of the assets of the Philippine corporation.

E. Documentary Stamp Tax

The original issuance of shares is subject to a documentary stamp tax of ₱2.00 for each ₱200.00, or a fractional part thereof, of the par value of the shares issued.

The sale, barter or exchange of shares of stock listed and traded at the PSE (provided that publicly listed company that issued the shares sold complies with the MPO requirement) is not subject to DST. The secondary transfer of shares of stock outside of the facilities of the PSE (or if the publicly listed company that issued the shares sold does not comply the MPO requirement) is subject to DST at the rate of ₱1.50 on each ₱200.00, or a fractional part thereof, of the par value of the shares of stock transferred.

The DST is imposed on the person making, signing, issuing, accepting or transferring the document and is thus payable by either or both the vendor or the vendee of the shares. As mentioned previously, the transfer of shares shall not be recorded in the books of a company, unless the BIR issues a CAR.

F. Estate and Gift Taxes

Shares issued by a domestic corporation are deemed to have a Philippine situs and their transfer by way of a succession or donation, even if made by a non-resident decedent or donor outside the Philippines, is subject to Philippine estate and donor's taxes.

The transfer by a deceased Philippine resident to his heirs of the shares of stock shall be subject to an estate tax which is levied on the net estate of the deceased at a rate of 6.0%. A holder of the shares of stock who is a Philippine resident shall be subject to donor's tax based on the total gifts in excess of ₱250,000.00 exempt gift made during the calendar year on the transfer of the shares of stock by donation at a rate of 6.0%.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. Estate and donors' taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock:

- (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or
- (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

In case the shares of stock are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the shares of stock exceeded the value of the consideration may be deemed a gift, and donor's taxes may be imposed on the transferor of the shares of stock, based on Section 100 of the Tax Code, provided that a transfer of property made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

G. Taxation Outside the Philippines

Shares of stock in a domestic corporation are considered under Philippine law to be situated in the Philippines and any gain derived from their sale is entirely from Philippine sources; hence, such gain is subject to Philippine income tax and the transfer of such shares by gift (donation) or succession is subject to the donors' tax or estate tax, unless an exemption from tax in the Philippines is provided under the law or a tax treaty.

The tax treatment of a non-resident holder in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of its domicile or business activities and such holder's particular situation. This Prospectus does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

PLAN OF DISTRIBUTION

Up to [350,000,700] Firm Shares, or [70]% of the Firm Shares (the “**Institutional Offer Shares**”), are (subject to re-allocation as described below) being offered for sale (i) outside the United States by the Sole Global Coordinator and Joint Bookrunner in offshore transactions in reliance on Regulation S under the U.S. Securities Act and (ii) to local qualified buyers as defined under the SRC and other investors in the Philippines by the Domestic Underwriters and Joint Bookrunners (the “**Institutional Offer**”). Up to [150,000,300] Firm Shares, or [30]% of the Firm Shares (the “**Trading Participants and Retail Offer Shares**”), of which [20]% of the Firm Shares shall be allocated to all of the PSE Trading Participants and [10]% of the Firm Shares shall be allocated to local small investors (“**LSIs**”), are (subject to re-allocation as described below) being offered by the Domestic Underwriters and Joint Bookrunners at the Offer Price to all of the PSE Trading Participants and LSIs in the Philippines (the “**Trading Participants and Retail Offer**”). Notwithstanding the Sole Global Coordinator and Joint Bookrunner being named in this Prospectus, offers or sales by the Sole Global Coordinator and Joint Bookrunner of Offer Shares outside the Philippines are not governed by Philippine laws. The allocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to adjustment as agreed between the Issuer and the Joint Bookrunners.

No Offer Shares are designated to be sold to specified persons apart from the Trading Participants and Retail Offer Shares.

ROLES AND RESPONSIBILITIES OF THE SOLE GLOBAL COORDINATOR AND JOINT BOOKRUNNER AND THE JOINT BOOKRUNNERS

The Joint Bookrunners are responsible for the coordination of the various execution workstreams relating to the Offer.

The Joint Bookrunners are assisting the Issuer in the book-building process, which includes marketing and allocation of the Offer to potential investors as described in this Plan of Distribution. None of the activities of the Sole Global Coordinator and Joint Bookrunner has been or will be conducted in the Philippines, or would constitute licensable activities in the Philippines. The offers or sales by the Sole Global Coordinator and Joint Bookrunner of Offer Shares will be made to persons located outside the Philippines and therefore would not be governed by Philippine laws. As such, the type and level of due diligence that is conducted by the Sole Global Coordinator and Joint Bookrunner, and any conflict of interest considerations to which they may be subject, may be different from those applicable to the Domestic Underwriters and Joint Bookrunners. There is, therefore, no assurance that the due diligence conducted by the Sole Global Coordinator and Joint Bookrunner and the standard of avoidance of conflict of interest maintained by the same as regards the Issuer would be the same as that of the Domestic Underwriters and Joint Bookrunners, which are subject to the supervision of the Philippine SEC. In the case of the Domestic Underwriters and Joint Bookrunners, the potential investors will be based in the Philippines and the offers or sales by the Domestic Underwriters and Joint Bookrunners will be governed by Philippine laws.

The Domestic Underwriters and Joint Bookrunners have undertaken to underwrite a portion of the Offer on a firm commitment basis. The offers or sales by the Domestic Underwriters and Joint Bookrunners will be governed by Philippine laws as such offers or sales will be made to PSE Trading Participants and LSIs in the Philippines in addition to local qualified buyers as defined under the SRC and other investors in the Philippines.

The Sole Global Coordinator and Joint Bookrunner and its affiliates have, from time to time, engaged in, and may in the future engage in, investment banking, financing, private banking, commercial banking or financial consulting activities and other commercial dealings in the ordinary course of business with the Issuer, the Selling Shareholder or their respective subsidiaries and affiliates. The Sole Global Coordinator and Joint Bookrunner may have received and expects to continue to receive customary fees and commissions for these activities and dealings. In addition, in the ordinary course of business, the Sole Global Coordinator and Joint Bookrunner and its affiliates may trade the Issuer’s securities, the Selling Shareholder’s securities, or the securities of the subsidiaries or affiliates of any of the Issuer or the Selling Shareholder or derivatives relating to the foregoing securities for its or its affiliates’ own account or for the accounts of customers, and may at any time hold a long or short position in such securities. The Sole Global Coordinator and Joint Bookrunner does not have any right to designate or nominate a member of the Board of Directors. The Sole Global Coordinator and Joint Bookrunner has no direct relationship with the Issuer in terms of share ownership and, other than as Sole Global Coordinator and Joint Bookrunner for the Offer, does not have any material relationship with the Issuer or the Selling Shareholder.

Each of the Domestic Underwriters and Joint Bookrunners has engaged in transactions with, and has performed various investment banking, commercial banking and other services for the Issuer or the Selling Shareholder in the past, and may do so for the Issuer, the Selling Shareholder and their respective subsidiaries and affiliates from

time to time in the future. However, all services provided by the Domestic Underwriters and Joint Bookrunners, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Issuer or the Selling Shareholder. Each of the Domestic Underwriters and Joint Bookrunners does not have any right to designate or nominate a member of the Board of Directors. Each of the Domestic Underwriters and Joint Bookrunners has no direct relationship with the Issuer in terms of share ownership and, other than as a Domestic Underwriter and Joint Bookrunner for the Offer, does not have any material relationship with the Issuer or the Selling Shareholder.

Each of the Domestic Underwriters and Joint Bookrunners does not have a contract or other arrangement with the Issuer or the Selling Shareholder allowing put back or return to the Issuer or the Selling Shareholder of any unsold Offer Shares.

SOLE GLOBAL COORDINATOR AND JOINT BOOKRUNNER

CLSA, CITIC Securities' international platform, provides global investors and corporates with insights, liquidity and capital to drive their growth strategies. Award-winning research, an extensive Asia footprint, direct links to China and highly experienced finance professionals differentiate its innovative products and services in asset management, corporate finance, equity and debt capital markets, securities and wealth management. Headquartered in Hong Kong, CLSA's global network spans 21 countries across Asia, Europe, Australia, and the United States.

DOMESTIC UNDERWRITERS AND JOINT BOOKRUNNERS

AUB was granted the authority to operate as a commercial bank under the Monetary Board ("MB") Resolution No. 1149 dated September 3, 1997 and commenced operations on October 31, 1997. In 2012, it obtained approval from the BSP to upgrade its license into expanded commercial banking status. In 2013, AUB was granted an authority to operate as a universal bank under MB Resolution No. 356 dated February 28, 2013. The universal banking license authorizes, AUB, in addition to its general powers as a commercial bank, to exercise, among others, powers of an investment house, including securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity securities, project finance and direct equity investment.

BDO Capital is a majority-owned investment banking subsidiary of BDO Unibank, Inc. BDO Capital is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital is duly licensed by the Philippine SEC to engage in underwriting and distribution of securities to the public. As of December 31, 2024, it had ₱5.44 billion and ₱5.08 billion in assets and capital, respectively.

Chinabank Capital is the wholly-owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on 27 November 2015, with SEC Company Registration No. CS201522558 and SEC Investment House License No. CR 01-2015-00279 (renewed on 19 November 2024), as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings, and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital provides financial advisory services to its clients, such as deal structuring, valuation exercises, and execution of mergers, acquisitions, divestitures, joint ventures, recapitalizations, and other corporate transactions. As of December 31, 2024, it had ₱4.06 billion and ₱4.00 billion in assets and capital, respectively.

PNB Capital, a wholly-owned subsidiary of the Philippine National Bank, offers a spectrum of investment banking services including loan syndications and project finance, bond offerings, private placements, public offering of shares, securitization, financial advisory and mergers & acquisitions. PNB Capital obtained its license to operate as an investment house in 1997 and is licensed to engage in underwriting and distribution of securities to the public. As of December 31, 2024, total assets of PNB Capital were at ₱2.17 billion while total capital was at ₱2.13 billion.

THE INSTITUTIONAL OFFER

The Institutional Offer Shares will be offered for sale (i) outside the United States by the Sole Global Coordinator and Joint Bookrunner in offshore transactions in reliance on Regulation S of the U.S. Securities Act by the Sole

Global Coordinator and Joint Bookrunner and (ii) to local qualified buyers as defined under the SRC and other investors in the Philippines by the Domestic Underwriters and Joint Bookrunners.

Investors in the Institutional Offer will be required to pay, in addition to the Offer Price, a brokerage fee of up to [1.00]% of the Offer Price.

THE TRADING PARTICIPANTS AND RETAIL OFFER

The Trading Participants and Retail Offer Shares shall (subject to re-allocation as described below) initially be offered by the Domestic Underwriters and Joint Bookrunners to all of the PSE Trading Participants and LSIs in the Philippines. At least [100,000,200] Trading Participants and Retail Offer Shares, or [20]% of the Firm Shares, shall be allocated among the [123] PSE Trading Participants. Each PSE Trading Participant shall initially be allocated [813,000] Firm Shares and subject to reallocation as may be determined by the Domestic Underwriters and Joint Bookrunners. The balance of [1,200] Firm Shares shall be allocated by the Domestic Underwriters and Joint Bookrunners to the PSE Trading Participants. A total of [50,000,100] Trading Participants and Retail Offer Shares, or [10]% of the Firm Shares, shall be made available nationwide to LSIs through the PSE Electronic Allocation System or “PSE EASy.” An LSI is defined as a subscriber to the Offer who is willing to subscribe to a minimum board lot and whose subscription does not exceed ₱[●], provided, however, that the PSE’s management may increase the maximum subscription amount for the LSI, on a case to case basis, taking into account the offer size of the IPO consistent with the objective of facilitating and achieving maximum participation and subscription to the LSI allocation. In the case of this Offer, the minimum subscription of LSIs shall be [●] Common Shares or ₱[●] while the maximum subscription shall be [●] Common Shares or up to ₱[●]. There will be no discount on the Offer Price. The procedure in subscribing to Offer Shares via PSE EASy is indicated in the Issuer’s Implementing Guidelines for Local Small Investors to be announced through the PSE EDGE website. Should the total demand for the Offer Shares in the LSI program exceed the maximum allocation, the [●] shall prioritize subscriptions of small investors with amounts lower than the maximum subscription.

Upon closing of the Trading Participants and Retail Offer, any allocation of Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants and the LSIs and not reallocated to the Institutional Offer, shall be distributed by the Domestic Underwriters and Joint Bookrunners to their clients or the general public in the Philippines or as otherwise agreed with the Sole Global Coordinator and Joint Bookrunner. Trading Participants and Retail Offer Shares not taken up by the PSE Trading Participants or the LSIs and which are not reallocated to the Institutional Offer, or taken up by the clients of the Domestic Underwriters and Joint Bookrunners, or the general public, shall be purchased by the Domestic Underwriters and Joint Bookrunners pursuant to the terms and conditions of the Domestic Underwriting Agreement (as defined below). Nothing herein or in the Domestic Underwriting Agreement shall limit the rights of the Domestic Underwriters and Joint Bookrunners from purchasing the Offer Shares for its own account.

To facilitate the Trading Participants and Retail Offer, the Issuer and the Selling Shareholder have appointed AUB, BDO Capital, Chinabank Capital, and PNB Capital to act as Domestic Underwriters and Joint Bookrunners.

On or before [11:00 am] on [September 11], 2025, the PSE Trading Participants shall submit to the Receiving Agent their respective undertaking to subscribe to the Trading Participants and Retail Offer Shares.

With respect to the LSIs, all applications to purchase or subscribe for the Trading Participant and Retail Offer Shares must be done online through the PSE EASy. The system will generate a reference number and payment instruction. An application to purchase the Trading Participant and Retail Offer Shares shall not be deemed as a duly accomplished and completed application unless submitted with all required relevant information and applicable supporting documents to the Domestic Underwriters and Joint Bookrunners or such other financial institutions that may be invited to manage the LSI program. Payment for the Trading Participant and Retail Offer Shares may be made in cash following the payment instructions generated through PSE EASy. LSI applicants may check the status of their subscription applications through their PSE EASy investor accounts.

PSE Trading Participants who take up Trading Participants and Retail Offer Shares shall be entitled to a selling fee of 1.0%, inclusive of VAT, of the Trading Participants and Retail Offer Shares taken up and purchased by the relevant PSE Trading Participant. The selling fee, less the applicable withholding tax, will be paid by the Issuer via the Receiving Agent to the PSE Trading Participants within [●] Business Days from the Listing Date.

Apart from the said selling commission of the PSE Trading Participants on the final take-up of the Firm Shares, there are no other discounts and commissions, either in cash, securities, contracts or other considerations, which will be paid to or received by any broker-dealer in connection with the Offer.

All of the Trading Participants and Retail Offer Shares are or shall be lodged with the PDTC and shall be issued to the PSE Trading Participants and LSIs in scripless form. Investors may maintain the Trading Participants and

Retail Offer Shares in scripless form or opt to have the stock certificates issued to them by requesting an upliftment of the relevant Trading Participants and Retail Offer Shares from the PDTC's electronic system after the Listing Date. Costs or fees relating to such upliftment shall be for the account of the investor.

WITHDRAWAL OF THE OFFER

The Offer shall not be withdrawn, cancelled, suspended or terminated solely by reason of the Company's or Joint Bookrunners' inability to sell or market the Offer Shares or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Bookrunners, or any other entity/ person to take up any Offer Shares remaining after the Offer Period.

The Company reserves the right to withdraw the Offer at any time before the execution of the underwriting agreements, in which event the Company will make the necessary disclosures to the Philippine SEC and PSE.

REALLOCATION

The allocation of the Firm Shares between the Institutional Offer and the Trading Participants and Retail Offer is subject to further adjustment as may be determined by the Joint Bookrunners. In the event of an under-application in the Institutional Offer and a corresponding over-application in the Trading Participants and Retail Offer, Offer Shares in the Institutional Offer may be reallocated to the Trading Participants and Retail Offer. If there is an under-application in the Trading Participants and Retail Offer and if there is a corresponding over-application in the Institutional Offer, Offer Shares in the Trading Participants and Retail Offer may be reallocated to the Institutional Offer. Unless otherwise agreed by the Joint Bookrunners, the reallocation shall not apply in the event of over-application or under-application in both the Trading Participants and Retail Offer and the Institutional Offer.

UNDERWRITING COMMITMENTS

The Issuer, the Selling Shareholder and the Domestic Underwriters and Joint Bookrunners [entered] into a Domestic Underwriting Agreement [to be] dated on or about [●], 2025 (the "**Domestic Underwriting Agreement**"), whereby each of the Domestic Underwriters and Joint Bookrunners has agreed to underwrite on a firm commitment basis, a number of Firm Shares as indicated below, subject to agreement between the Joint Bookrunners on any clawback, clawforward or other such mechanism relating to the reallocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer.

	Number of Firm Shares	% of Firm Shares
Asia United Bank Corporation	[●]	[●]%
BDO Capital & Investment Corporation	[●]	[●]%
Chinabank Capital Corporation	[●]	[●]%
PNB Capital and Investment Corporation	[●]	[●]%

Under the terms and conditions of the international purchase agreement [to be] dated on or about [●], 2025 (the "**International Purchase Agreement**"), entered into between the Issuer and the Sole Global Coordinator and Joint Bookrunner, the Sole Global Coordinator and Joint Bookrunner has agreed to procure purchasers for or failing which to purchase the portion of Institutional Offer Shares opposite its name indicated in the following table, subject to agreement among the Joint Bookrunners on any clawback, clawforward or other such mechanism relating to reallocation of the Offer Shares between the Institutional Offer and the Trading Participants and Retail Offer. The International Purchase Agreement is subject to certain conditions and may be subject to termination by the Sole Global Coordinator and Joint Bookrunner if certain circumstances, including force majeure, occur on or before the Listing Date.

	Number of Firm Shares	% of Firm Shares
CLSA Limited	[●]	[●]%

[The foregoing tables do not reflect the exercise of the Overallotment Option that may or may not be exercised by [●] and its relevant affiliates, as Stabilizing Agent, to purchase up to [●] Option Shares from the Selling Shareholder.]

The estimated underwriting fees amounts to approximately ₱[285.6] million, or about [2.20]% of the gross proceeds from the offer of the Firm Shares.

THE OVERALLOTMENT OPTION AND STABILIZATION

[In connection with the Offer, the Selling Shareholder has granted the Stabilizing Agent an Overallotment Option, exercisable in whole or in part, to purchase up to [50,001,000] Option Shares at the Offer Price and on the same terms and conditions as the Firm Shares, as set forth herein, from time to time for a period which shall not exceed 30 calendar days from and including the Listing Date. In connection therewith, the Selling Shareholder has entered into a Greenshoe Agreement with the Stabilizing Agent to, among other things, utilize up to [50,001,000] Option Shares to cover over-allocations under the Institutional Offer. The Option Shares may be over-allotted and the Stabilizing Agent may affect price stabilization transactions for a period beginning on or after the Listing Date, but extending no later than 30 days from and including the Listing Date. Thus, the grant to the Stabilizing Agent of the Overallotment Option may be exercised over any, some or for all of the Option Shares.]

[Any Common Shares that may be delivered to the Stabilizing Agent under the Greenshoe Agreement will be re-delivered to the Selling Shareholder either through the purchase of Common Shares in the open market by the Stabilizing Agent in the conduct of stabilization activities or through the exercise of the Overallotment Option by the Stabilizing Agent.] The Stabilizing Agent may purchase Common Shares in the open market only if the market price of the Common Shares falls below the Offer Price. The initial stabilization action shall be at a price below the Offer Price. After the initial stabilization action, (i) if there has not been an independent trade (i.e., a trade made by a person other than the Stabilizing Agent for itself or on behalf of its clients) in the market at a higher price than the initial stabilization trade, the subsequent trade shall be below the initial stabilization price, or (ii) if there has been an independent trade in the market at a higher price than the initial stabilization trade, the subsequent trade shall be at the lower of the stabilizing action price or the independent trade price. Such activities may stabilize, maintain or otherwise affect the market price of the Common Shares, which may have the effect of preventing a decline in the market price of the Common Shares and may also cause the price of the Common Shares to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If the Stabilizing Agent commences any of these transactions (which would include thereafter disposing of or selling the Common Shares purchased), it may discontinue them at any time. However, the Stabilizing Agent or any person acting on behalf of the Stabilizing Agent has the sole discretion whether to undertake stabilization activities, and there is no assurance that the same will be undertaken. Consequently, the Stabilizing Agent may conduct stabilization activities by repurchasing Common Shares from the market at up to the number of Option Shares sold under the Overallotment Option; hence, stabilization activities and the funds available therefor will necessarily be limited by the number of Option Shares actually sold or purchased. There is also no assurance that the price of the Common Shares will not decline significantly after any such stabilizing activities end.

As discussed under the section “*Dilution*,” if the Overallotment Option is fully exercised, the number of shares held by new investors will be [550,002,000] Common Shares and the public float will be [22.0]%. The partial or full exercise of the Overallotment Option will not trigger the issuance of any new Common Shares to the Selling Shareholder to offset the Common Shares sold under the Overallotment Option. To the extent the Overallotment Option is not fully exercised, the same shall be deemed cancelled and the relevant Option Shares shall be re-delivered to the Selling Shareholder, and as discussed under the section “*Dilution*,” the number of shares held by new investors will be [500,001,000] Common Shares and the public float will be [20.0]%.

LOCK-UP

Under the PSE Consolidated Listing and Disclosure Rules, as amended (the “**PSE Listing Rules**”), existing shareholders who own an equivalent of at least 10% of the issued and outstanding Common Shares as of the Listing Date cannot sell, assign or in any manner dispose of their shares for a minimum period of 180 days, or if the Issuer is exempt from the track record and operating history requirements, a minimum period of 365 days, after the Listing Date.

In addition, under the PSE Listing Rules, if there is any issuance or transfer of shares (i.e., private placements, asset for shares swaps, or similar transactions) or instruments which lead to issuance of shares (i.e., convertible bonds, warrants, or similar instruments) done and fully paid for within 180 calendar days prior to the offering period, and the transaction price is lower than that of the listing price, all shares availed of shall be subject to a lock-up period of at least 365 calendar days from full payment of the aforesaid shares.

The following stockholder is covered by the 180-day lock-up requirement from Listing Date:

Shareholder	No. of Shares
Hann Group Holdings W.L.L.	[2,000,000,000] Common Shares
TOTAL	[2,000,000,000] Common Shares

On May 27, 2025, the Company issued 1,000 Common Shares each to the independent directors, Mr. Antonio N. Jacinto and Mr. Senen L. Matoto. As such, The following shareholders are covered by the 365-day lock-up requirement from Listing Date:

Shareholder	No. of Shares
Antonio N. Jacinto	[1,000] Common Shares
Senen L. Magtoto	[1,000] Common Shares
TOTAL	[2,000] Common Shares

The Company and the Selling Shareholder have agreed with the Joint Bookrunners that, except in connection with the Overallotment Option, they will not, without the prior written consent of the Joint Bookrunners, issue, offer, pledge, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal of) any Shares or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the underlying securities, including equity swaps, forward sales and options for a period of 180 days after the Listing Date.

INDEMNITY

The International Purchase Agreement provides that the Issuer will indemnify the Sole Global Coordinator and Joint Bookrunner against certain liabilities, including under the U.S. Securities Act.

REGISTRATION OF FOREIGN INVESTMENTS

The BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance will be sourced from the Philippine banking system. Upon registration of the investment, proceeds of divestments, or dividends of registered investments are repatriable or remittable immediately and in full through the Philippine banking system, net of applicable tax, without need of BSP approval. The registration with the BSP of all foreign investments in the Offer Shares shall be the responsibility of the foreign investor. See the section entitled “*Regulatory and Environmental Matters – Registration of Foreign Investments and Exchange Controls*” in this Prospectus.

SELLING RESTRICTIONS

Philippines

No securities, except for a class exempt under Section 9 of the SRC or unless sold in any transaction exempt under Section 10 thereof, shall be sold or distributed by any person within the Philippines, unless such securities shall have been registered with the Philippine SEC on Form 12-1 and the registration statement has been declared effective by the Philippine SEC.

LEGAL MATTERS

Certain legal matters as to Philippine law relating to the Offer will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles, our legal counsel, and Martinez Vergara & Gonzalez Sociedad, legal counsel to the Joint Bookrunners.

Certain legal matters as to United States federal law will be passed upon by Latham & Watkins LLP as International Counsel for the Joint Bookrunners. In rendering their opinions, Latham & Watkins LLP may rely upon the opinions of Romulo Mabanta Buenaventura Sayoc & de los Angeles and Martinez Vergara & Gonzalez Sociedad as to all matters of Philippine law.

Each of the foregoing legal counsel has neither shareholdings nor any right, whether legally enforceable or not, to nominate persons or to subscribe for our securities. None of the legal counsel will receive any direct or indirect interest in any of our securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer.

INDEPENDENT AUDITORS

The consolidated financial statements of the Group as of December 31, 2024 and 2023 and for each of the years in the period ended December 31, 2024, 2023 and 2022 and as of March 31, 2025 and for the three months period ended March 31, 2025 and 2024 were audited by SGV, independent auditors, as stated in their report attached to this Prospectus.

SGV has acted as the Company's external auditor since since 2016. Mr. Jose Pepito E. Zabat III is the current audit partner for the Company and has served as such since 2016. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period.

SGV has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company. SGV will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines adopted by the Philippine Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees paid to SGV for professional services rendered in respect of the audit of our historical financial statements, excluding out-of-pocket expenses incidental to such services and excluding fees directly related to the Offer:

	2022	2023	2024
Audit and Audit Related Fees (in ₱ millions)	1.9	4.3	4.3

SGV does not have shareholdings in the Company or any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Offer.

INDEPENDENT MARKET RESEARCH CONSULTANT

The Innovation Group, an independent market research consultant, was responsible for preparing the industry report entitled “Clark Gaming Market Assessment” and dated as of May 2025, portions of which have been presented in this Prospectus and the full version of which is attached to this Prospectus as Appendix 1. The Innovation Group provides a total market research solution to both local and multinational corporations across all sectors worldwide. The professional fees billed by The Innovation Group for such work amounted to U.S.\$1.3 million.

The Innovation Group does not have shareholdings in the Company or any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The Innovation Group will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Offer. Moreover, The Innovation Group is not an affiliate, director or senior executive of the Company.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Hann Holdings, Inc. and Subsidiaries
Building 5399 M. A. Roxas Highway
Clark Freeport Zone 2023, Pampanga

Opinion

We have audited the consolidated financial statements of Hann Holdings, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at March 31, 2025 and December 31, 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three months ended March 31, 2025 and 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's 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 our 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.

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

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



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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

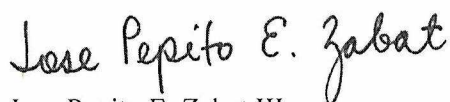


- 3 -

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

SYCIP GORRES VELAYO & CO.



Jose Pepito E. Zabat III
Partner

CPA Certificate No. 85501

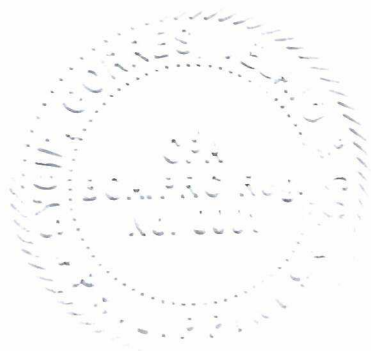
Tax Identification No. 102-100-830

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465410, January 2, 2025, Makati City

May 21, 2025





STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **Hann Holdings, Inc. and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at March 31, 2025 and December 31, 2024 and for the three months ended March 31, 2025 and 2024 in accordance with the Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors (BOD) is responsible for overseeing the Group's financial reporting process.

The BOD reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors appointed by the stockholders have audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Signature:

DAE SIK HAN

Chairman / President / Chief Executive Officer

MITCHELL A. ESTACIO

Treasurer / Chief Financial Officer

Signed this MAY 21 2025.

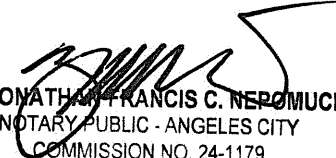
ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

BEFORE ME, a Notary Public in and for ANGELES CITY, on this 21 day of MAY 2025,
personally appeared the following:

Name	Government ID	Date of Issuance / Place of Issue or Issuing Authority
DAESIK HAN	Passport No. M66838096	issued on 16 December 2020/ Ministry of Foreign Affairs, South Korea
MITCHELL A. ESTACIO	Passport No. P9671778A	issued on 22 November 2018 / DFA Pampanga

Doc. No. 442 ;
Page No. 94 ;
Book No. XIII ;
Series of 2025.


ATTY. JONATHAN FRANCIS C. NEPOMUCENO
NOTARY PUBLIC - ANGELES CITY
COMMISSION NO. 24-1179
UNTIL DECEMBER 31, 2026
ROLL NO. 59717
IBP NO. 012385 / LIFETIME / PAMPANGA
PTR NO. AC-2196501/ '2-18-2024 FOR 2025 / ANGELES CITY
MCLE COMPLIANCE NO. VII-0012027 / 04-14-2028- PASIG CITY
RM. 105 1ST FLR, ABC BLDG., TERESA AVE.
NEPO CENTER, STO. ROSARIO, ANGELES CITY

HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash (Note 4)	₱1,616,430,187	₱2,099,848,277
Trade and other receivables (Note 5)	209,929,068	231,304,824
Amounts owed by related parties (Note 17)	599,861,173	545,660,000
Inventories (Note 6)	122,840,525	144,870,908
Other current assets (Note 7)	1,048,139,606	1,010,921,255
Total Current Assets	3,597,200,559	4,032,605,264
Noncurrent Assets		
Property and equipment (Note 8)	25,555,017,976	24,732,885,565
Right-of-use assets (Note 18)	1,524,623,653	1,516,662,634
Other noncurrent assets (Note 9)	4,221,374,885	3,487,523,398
Total Noncurrent Assets	31,301,016,514	29,737,071,597
TOTAL ASSETS	₱34,898,217,073	₱33,769,676,861
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable (Note 10)	₱2,124,814,094	₱2,572,032,944
Accrued expenses and other payables (Note 11)	2,157,287,519	1,800,216,661
Short-term loans (Note 12)	1,300,000,000	595,000,000
Current portion of long-term loans (Note 12)	1,434,224,228	1,434,069,260
Current portion of lease liabilities (Note 18)	126,606,326	123,980,382
Total Current Liabilities	7,142,932,167	6,525,299,247
Noncurrent Liabilities		
Long-term loans - net of current portion (Note 12)	14,318,752,541	14,688,812,289
Retirement obligation (Note 15)	125,773,749	121,527,508
Lease liabilities - net of current portion (Note 18)	1,790,597,114	1,759,120,210
Deferred tax liabilities - net (Note 16)	4,175,756	3,321,327
Total Noncurrent Liabilities	16,239,299,160	16,572,781,334
Total Liabilities	23,382,231,327	23,098,080,581
Equity		
Capital stock (Note 21)	200,000,000	200,000,000
Remeasurement gain on defined benefit obligation (Note 15)	16,716,692	14,670,165
Retained earnings	11,299,269,054	10,456,926,115
Total Equity	11,515,985,746	10,671,596,280
TOTAL LIABILITIES AND EQUITY	₱34,898,217,073	₱33,769,676,861

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

	March 31, 2025	March 31, 2024
REVENUES (Note 13)		
Gaming	₱3,001,217,921	₱3,032,922,255
Rooms	244,130,221	199,005,312
Food and beverage	159,120,402	149,876,529
Other operated departments	14,956,069	1,264,865
	3,419,424,613	3,383,068,961
OPERATING COSTS AND EXPENSES (Note 14)	2,378,685,456	2,535,394,538
OTHER INCOME (CHARGES)		
Interest expense (Notes 12 and 18)	(203,869,358)	(231,733,967)
Finance charges (Notes 9, 12 and 18)	(11,263,457)	(23,796,934)
Interest income (Notes 4, 7 and 9)	11,438,926	10,149,492
Foreign exchange gain - net	5,606,093	21,420,550
Others	546,007	470,967
	(197,541,789)	(223,489,892)
INCOME BEFORE INCOME TAX	843,197,368	624,184,531
PROVISION FOR INCOME TAX (Note 16)		
Current	—	173,937
Deferred	854,429	100,403
	854,429	274,340
NET INCOME	₱842,342,939	₱623,910,191
Basic and Diluted Earnings Per Share (Note 24)	₱0.42	₱1.56

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

	March 31, 2025	March 31, 2024
NET INCOME	₱842,342,939	₱623,910,191
OTHER COMPREHENSIVE INCOME		
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gain on defined benefit obligation (Note 15)	2,046,527	1,969,707
TOTAL COMPREHENSIVE INCOME	₱844,389,466	₱625,879,898

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For the Three Months Ended March 31, 2025			
	Capital Stock	Remeasurement Gain on Defined Benefit Obligation (Note 15)	Retained Earnings	Total
Balances at January 1, 2025	₱200,000,000	₱14,670,165	₱10,456,926,115	₱10,671,596,280
Net income for the period	–	–	842,342,939	842,342,939
Other comprehensive income for the period	–	2,046,527	–	2,046,527
Total comprehensive income for the period	–	2,046,527	842,342,939	844,389,466
Balances at March 31, 2025	₱200,000,000	₱16,716,692	₱11,299,269,054	₱11,515,985,746

See accompanying Notes to Consolidated Financial Statements.

	For the Three Months Ended March 31, 2024			
	Capital Stock	Remeasurement Gain on Defined Benefit Obligation (Note 15)	Retained Earnings	Total
Balances at January 1, 2024	₱30,000,000	₱18,409,664	₱8,751,630,086	₱8,800,039,750
Net income for the period	–	–	623,910,191	623,910,191
Other comprehensive income for the period	–	1,969,707	–	1,969,707
Total comprehensive income for the period	–	1,969,707	623,910,191	625,879,898
Balances at March 31, 2024	₱30,000,000	₱20,379,371	₱9,375,540,277	₱9,425,919,648

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

	March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱843,197,368	₱624,184,531
Adjustments for:		
Depreciation and amortization on:		
Property and equipment (Note 8)	394,009,233	401,256,167
ROU assets (Note 18)	5,525,303	4,713,185
Debt issuance cost (Note 12)	8,212,323	18,490,934
Interest expense on:		
Loans (Note 12)	202,960,703	230,530,716
Lease liabilities (Note 18)	908,655	1,203,251
Retirement expense (Note 15)	6,413,728	6,290,585
Reversal of expected credit losses (Note 5)	(25,433)	(47,002)
Unrealized foreign exchange loss - net	3,418,313	869,037
Interest income (Notes 4, 7 and 9)	(11,438,926)	(10,149,492)
Operating income before working capital changes	1,453,181,267	1,277,341,912
Decrease (increase) in:		
Trade and other receivables	21,401,189	(28,420,828)
Amounts owed by related parties	(54,322,133)	(58,164,776)
Inventories	22,030,383	(21,397,729)
Other current assets	(33,486,564)	(121,128,135)
Increase (decrease) in:		
Accounts payable	(252,561,559)	510,032,115
Accrued expenses and other payables	359,082,654	(850,450,665)
Net cash flows generated from operations	1,515,325,237	707,811,894
Interest received	11,062,117	9,981,861
Benefits paid from the Group's funds	—	(641,962)
Income taxes paid	—	(173,937)
Net cash flows generated from operating activities	1,526,387,354	716,977,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in other noncurrent assets	(733,395,558)	70,105,138
Additions to property and equipment	(1,272,051,306)	(1,110,425,687)
Cash flows used in investing activities	(2,005,446,864)	(1,040,320,549)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short-term loans (Note 12)	2,200,000,000	—
Long-term loans	—	1,932,844,075
Cash under DSRA allocated for loan payments	(3,587,536)	19,761,388
Payments for:		
Principal portion of:		
Short-term loans	(1,495,000,000)	—
Long-term loans	(375,000,000)	(375,000,000)
Lease liabilities (Note 18)	(12,343,046)	(6,005,803)
Interest on:		
Short-term loans	(3,751,319)	—
Long-term loans	(297,041,757)	(238,646,942)
Lease liabilities (Note 18)	(866,955)	(1,203,251)
Deferred financing costs (Note 12)	(13,349,654)	(9,032,258)
Net cash flows generated from (used in) financing activities	(940,267)	1,322,717,209
NET INCREASE (DECREASE) IN CASH	(479,999,777)	999,374,516
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(3,418,313)	(869,037)
CASH AT BEGINNING OF YEAR	2,099,848,277	2,415,248,707
CASH AT END OF YEAR (Note 4)	₱1,616,430,187	₱3,413,754,186

See accompanying Notes to Consolidated Financial Statements



HANN HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business

Corporate Information

Hann Holdings, Inc. (herein referred to as “HHI” or the “Parent Company”) is incorporated and registered with the Philippine Securities and Exchange Commission (SEC) with primary purpose to purchase, subscribe for, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, develop or otherwise dispose of subject to limitations imposed by law, real and personal property of every kind, bonds, debentures, notes, evidences of indebtedness and other securities, contracts, or obligations of any corporation or corporations, association or associations, domestic or foreign and to pay therefore, in whole or in part, in cash or by exchanging, therefore stocks, bonds or other evidences of indebtedness or securities of any other corporations, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts, or obligations, to receive, collect, and dispose of the interest, dividends and income arising from such property and to possess and exercise, in respect thereof, all the rights, power and privileges of ownership, including tall voting power on any stocks so owned, to render management and administrative services; provided, however, that nothing herein shall be construed to authorized the Corporation to engage in business as an investment company, an investment house, and a dealer or broker in securities, or to engage in the management of funds, portfolios, or similar assets of the managed firm, person or entity.

On April 5, 2024, the Board of Directors (BOD) approved the increase in the authorized capital stock and change in par value of the common shares of the Parent Company, from ₱160,000,000 (consisting of 1,600,000 common shares with a par value of ₱100 per share) to ₱410,000,000 (divided into 4,100,000,000 common shares with a reduced par value of ₱0.10 per share). On August 30, 2024, the SEC has approved the Parent Company’s application for increase in authorized capital stock.

The total amount of increase in the authorized capital stock, considering the change in par value of the common shares, is ₱250,000,000, which consists of 2,500,000,000 shares with ₱0.10 par value per share. Out of this increase, ₱160,000,000 (1,600,000,000 shares at ₱0.10 par value), has been subscribed and fully paid for in cash by Hann Group Holdings, W.L.L (HGH), a limited liability company registered in the Kingdom of Bahrain, resulting to acquisition of 80% ownership over HHI. All non-subscribing stockholders have waived their pre-emptive rights to subscribe to the increase in capital stock.

On November 8, 2024, Hyass (FZE) assigned all of its common shares in HHI, amounting to ₱40,000,000 (400,000,000 shares at ₱0.10 par value), to HGH. As of May 21, 2025, the Parent Company has filed the relevant information update to the SEC regarding the updated ownership of HHI, secured the electronic Certificate Authorizing Registration and has updated the stock and transfer book of HHI.

As of March 31, 2025, the Parent Company is wholly-owned by HGH.

On April 13, 2016, Clark Development Corporation (CDC) issued a Certificate of Registration and Permit-to-Operate to the Parent Company as a Clark Special Economic Zone (CSEZ) enterprise with no tax incentive for its office space business activity effective from May 1, 2016 to April 30, 2019.



On April 2, 2019, CDC issued a new Certificate of Registration to the Parent Company effective from May 1, 2019 to April 30, 2021. On May 12, 2021, CDC issued a new Certificate of Registration to the Parent Company effective from May 12, 2021 to April 30, 2024. On March 21, 2024, CDC issued a new Certificate of Registration to the Parent Company effective from May 1, 2024 to April 30, 2027.

The registered office address and principal place of business of the Parent Company is at Building 5399 Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga.

Subsidiaries of HHI

The Parent Company's wholly-owned subsidiaries are Hann Philippines, Inc. (HPI) and Hann Development Corporation (HDC). HPI and HDC's purpose is to primarily engage and undertake the business of establishing, operating, maintaining, and/or managing tourist facilities including resorts, golf courses, hotels, sports and entertainment including but not limited to amusement centers and other forms of gaming activities not otherwise prohibited by law.

On February 20, 2024, the Board of Directors (BOD) approved the merger of HDC with HPI. Pursuant to the merger, all of the rights, privileges, immunities, franchises, assets, duties, and liabilities of HDC are hereby assigned, transferred and ceded to HPI being the Surviving Corporation, and HDC shall cease to exist. The merger took effect on October 21, 2024 upon approval by the SEC, pursuant to the Plan of Merger. The merger is a non-event transaction at consolidated financial statements.

Authorization for Issuance of the Consolidated Financial Statements

The accompanying consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as the "the Group") as at March 31, 2025 and December 31, 2024 and for the three months ended March 31, 2025 and 2024 have been approved and authorized for issuance by the BOD on May 21, 2025.

2. Basis of Preparation, Statement of Compliance and Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis and are presented in Philippine peso (₱), which is the Parent Company's presentation and functional currency. All values are stated in absolute amounts, unless otherwise stated.

The consolidated financial statements will be used for inclusion in an offering circular for a planned offering transaction.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2025 and December 31, 2024 and for the three months ended March 31, 2025 and 2024.

The Parent Company's subsidiaries and their respective natures and status of businesses are as follows:



Hann Philippines, Inc. (HPI)

Incorporated in the Philippines on February 24, 2016 as a wholly-owned subsidiary. The primary purpose of HPI is to engage in the business of establishing, operating, maintaining, and/or managing resorts, golf courses, social athletic or country clubs, lodges, hotels, inns, sports and entertainment including but not limited to amusement centers and other forms of gaming activities not otherwise prohibited by law, and other allied business, as well as any services and facilities incident thereto, and to lease and sublease any real and personal property deemed necessary or convenient for the conduct of its business.

On April 12, 2016 through the approval of HPI and Widus International Leisure, Inc.'s (WILI, formerly Hann International Leisure, Inc.), a related party under common majority shareholder ownership, a Deed of Accession whereby WILI granted HPI the authority to directly operate the Hann Casino for a period of five (5) years effective June 1, 2016, automatically renewable, subject to the terms and conditions mutually agreed by the parties. The Deed of Accession recognizes and includes HPI as a co-licensee and co-holder of the Provisional License (see Note 19). The Provisional License shall be converted into a Regular Casino Gaming License upon completion of certain conditions and upon approval by PAGCOR of the report detailing the actual total project cost to ensure compliance with the approved project cost based on the Project Implementation Plan.

The aggregate term of the Provisional and Regular Casino Gaming License is fifteen (15) years from effective date or until December 17, 2029, renewable subject to the same terms and conditions of the Provisional License. On July 31, 2019, PAGCOR granted the Regular Casino Gaming License to HPI, as co-Licensee of WILI, which includes entitlement to the customs duties and tax exemptions specified under the PAGCOR charter, as amended. The Gaming License shall have the same terms and conditions of the Provisional License, as applicable.

On March 23, 2023, PAGCOR's Board of Directors (BOD) approved the request of co-licensees, HPI and WILI, to remove the co-licensee status of WILI, thereby making HPI the sole entity liable with all terms and conditions of the Provisional License/Regular Casino Gaming License.

On April 19, 2023, PAGCOR's BOD acknowledged HPI's fulfillment of the \$400,000,000 minimum investment as of December 31, 2021 and approved its new Project Implementation Plan (PIP) for Phase 2, consisting of: Phase 2A – within Clark Freeport Zone, and Phase 2B – located in New Clark City, Tarlac. The cost of Phase 2 shall be the cumulative/incremental investment to reach \$1,000,000,000, upon achievement of which the term of the Provisional License/Regular Casino Gaming License may be extended until July 11, 2033.

HPI as the license holder, along with HHI as the Parent Company and HDC as its affiliate, operates Hann Casino Resort, the first integrated gaming, entertainment, leisure and hospitality resort destination in Central Luzon. As of December 31, 2024, Hann Casino Resort is comprised of (a) Hann Casino, an integrated gaming, entertainment and retail space with an aggregate gaming area of 13,656 sq. m., with fifteen restaurants and bars, one retail outlet and kiosk, and (b) two internationally-branded hotels: (i) Clark Marriott Hotel, the first five star hotel in Central Luzon with 260 rooms and suites, three restaurants, a lobby lounge, a bar and coffee outlet; and (ii) the Swissôtel Clark Philippines, the first Swissôtel hotel in the Philippines with 372 rooms and suites, five restaurants, three bars, and a lounge.

On June 27, 2022, an amendment to the Provisional License/Regular Casino Gaming License was entered into by PAGCOR and HPI. The license fee previously stipulated to be exclusive of franchise tax and special tax will now be inclusive of the franchise tax.

On January 17, 2018, HPI and PAGCOR made an addendum to the Provisional License dated December 18, 2014. The addendum requires HPI to remit 2% of gaming revenues generated from non-



junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by HPI and PAGCOR. HPI has established Hann Foundation, Inc. (“HFI”) for this purpose. HPI remits the 2% to HFI to manage the funds in accordance with the regulations set by PAGCOR.

On September 4, 2018, Bangko Sentral ng Pilipinas (BSP) issued a Certificate of Registration with MSB Registration No. 60-00691-0-00000 to HPI. The certificate authorizes HPI to operate as money changer (MC)/ foreign exchange dealer (FXD) with Type “F” registration in the Philippines.

In September 2018, Clark Marriott Hotel (CMH), a hotel property owned by HPI and operated by Marriott International, was opened to the public. The Hotel is the first five-star hotel in Clark Freeport Zone, Pampanga.

On December 15, 2021, HPI launched Swissotel Clark Philippines (SCP), a 22-storey five-star contemporary hotel with 372 elegant rooms and suites franchised with the Accor Group. In March 2022, SCP formally started its commercial operations.

Hann Development Corporation

Incorporated in the Philippines on October 18, 2019 as a wholly-owned subsidiary of HPI. However, on November 28, 2023, as part of the reorganization of the Parent Company and its Subsidiaries, HPI assigned 9,000,000 common shares with ₱100 par value of its subsidiary, HDC, to the Parent Company amounting to ₱900,000,000. The Parent Company has assessed that the acquisition of HDC constitutes a transaction under common control since all of the combining entities are controlled by the same party both before and after the business combination, and that control is not transitory. As such, the Parent Company accounted for the acquisition using the pooling of interest method wherein the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date carrying amounts.

The primary purpose of HDC is to engage in the business of establishing, operation, maintaining, and/or managing integrated and stand-alone resorts of all kinds, golf courses, social athletic or country clubs, lodges, hotels, inns, sports and entertainment including but not limited to amusement centers and not otherwise prohibited by law, and other allied activities, as well as any services and facilities incident thereto, and to lease and sublease any real and personal property deemed necessary or convenient for the conduct of its business, except to engage in financial leasing nor offer propriety shares to the public.

On February 20, 2024, the Board of Directors (BOD) approved the merger of HDC with HPI. Pursuant to the merger, all of the rights, privileges, immunities, franchises, assets, duties, and liabilities of HDC are hereby assigned, transferred and ceded to HPI being the Surviving Corporation, and HDC shall cease to exist. The merger took effect on October 21, 2024 upon approval by the SEC, pursuant to the Plan of Merger.

The ownership of the Parent Company over the foregoing subsidiaries as at March 31, 2025 and December 31, 2024 are summarized as follows:

Investee Companies	Effective Percentages of Ownership			
	March 31, 2025		December 31, 2024	
	Direct	Indirect	Direct	Indirect
HPI	100%	—	100%	—
HDC*	—	—	—	—

*Absorbed entity in merger with HPI effective October 21, 2024



Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Parent Company.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Standard Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective:

Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

Material Accounting Policies

The material accounting policies information that have been used in the preparation of consolidated financial statements are summarized below.

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.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in



the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets as of March 31, 2025 and December 31, 2024 consist of financial assets at amortized cost. The Group has no financial assets at FVOCI and FVTPL as of March 31, 2025 and December 31, 2024.

Subsequent measurement

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash, trade and other receivables, amounts owed by related parties, debt service reserve accounts, short-term investments, restricted cash, advances to tenants, and deposits.

Derecognition

A financial is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are 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, discounted at an approximation of the 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.



For trade receivables, the Group applies the simplified approach in calculating ECLs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted by forward-looking factors specific to the debtors and economic environment.

For other debt financial instruments (e.g. cash, other receivables, deposits and amounts owed by related parties ECLs), the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

As of March 31, 2025 and December 31, 2024, the financial liabilities of the Group are classified as other financial liabilities.

Subsequent measurement

Financial liabilities at amortized cost (including interest bearing loans)

After initial recognition, these are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

The Group's financial liabilities include accounts payable, accrued expenses and other payables, short-term loans, long-term loans, lease liabilities and amounts owed to related parties.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Debt Issuance Costs

Debt issuance costs represent fees incurred to obtain project financing. This is included in the initial measurement of the related debt. The deferred financing costs are treated as a discount on the related debt and are amortized using the EIR method over the term of the related debt.



Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement 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 asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of gaming, and general and other supplies is the current replacement cost.

Other Current Assets

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Property and Equipment

The Group's property and equipment consist of building and improvements, machinery and equipment, gaming equipment, furniture and fixture, transportation equipment, computer equipment and operating equipment.

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property and equipment comprises its purchase price and other directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to the consolidated statement of income and expenses in the period in which 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 an additional cost of the property and equipment.

Depreciation is computed on a straight-line basis using the estimated useful lives of the property and equipment as follows:

Category	Years
Building and improvements	25
Machinery and equipment	5
Gaming equipment	5
Furniture and equipment	5
Computer equipment	3
Operating equipment	3
Transportation equipment	5



Construction-in-progress is stated at cost. This includes cost of construction and other direct costs such as the depreciation of right-of-use assets and borrowing costs on lease liabilities directly related to the construction-in-progress. Construction-in-progress is not depreciated until such time as the relevant assets are completed and are available for use.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected. Any gain or loss arising from the derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the property and equipment) is included in the consolidated statement of income in the year the property and equipment is derecognized.

Fully depreciated assets are maintained in the accounts until these are no longer in use.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell, and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU 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. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired 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 Group makes an estimate of recoverable amount. 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

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.

Group as Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying asset.

- *ROU assets.* The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any



accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets on land and transportation equipment are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term of 50 years and 5 years, respectively. ROU assets are subject to impairment.

- *Lease liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Variable lease payments.* Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.
- *Short-term leases and leases of low-value assets.* The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have lease terms of 12 months or less from the commencement date and those that do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. These are recognized as expense on a straight-line basis over the lease term.

Capital Stock

Capital stock is determined using the nominal value of shares that have been issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.

Share Issuance Cost

Direct costs incurred related to the issuance of shares are deducted from the additional paid-in capital of the shares issued. If additional paid-in capital is not sufficient, the excess is charged against retained earnings or profit or loss.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income (loss).



Appropriated retained earnings

Appropriated retained earnings represent that portion which has been restricted, and therefore, not available for dividend declaration, but are allocated for expansion projects.

Unappropriated retained earnings

Unappropriated retained earnings represent the portion of the Group's accumulated profits and losses that must be (a) free, (b) unrestricted, (c) available to meet current operational needs, and (d) can be declared as dividends to stockholders.

Revenue from Contracts with Customers

The Group's revenue from contracts with customers primarily consist of gaming, room accommodation services, food and beverage and other operated revenue. Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Gaming revenue

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

Rooms, food and beverage, and other operated revenues

Rooms revenue recognition criteria is met at the time of occupancy. Other revenues are recognized when the food and beverage, goods or services have been transferred or rendered to the customer. The transaction prices for rooms, food and beverage, and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenue when the goods are provided, services are performed, or events are held. Service charges collected by the Group on behalf of its employees are excluded from revenues. Advance deposits on rooms are recorded as contract liability until services are provided to the customer. Revenues from contracts with multiple goods or services provided by the Group are allocated to each good or service based on its relative standalone selling price.

Contract Balances

Trade receivables

A receivable represents the Group's right to an amount if consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The Group's liabilities arising



from contracts with customers include outstanding gaming chips, loyalty program liabilities and advance customer deposits.

Customer Loyalty Program

The Group has a loyalty points program which allows customers to accumulate points that can be redeemed for free hotel accommodation, food and beverage, retail goods and other services. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. The Group's customer is able to use the points as a currency (i.e., currency value has been fixed and can no longer be changed by the Group). A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as a contract liability until the points are redeemed. Revenue is recognized upon redemption of the products or services by the customer.

License fees

Pursuant to the Regular License issued by PAGCOR to HPI, the latter must remit to PAGCOR on a monthly basis, starting from the date the casino commences operations, license fees based on a fixed percentage of gross gaming revenues generated from high roller tables, non-high roller tables, electronic gaming machines, and junket tables. The license fee payable to PAGCOR is exclusive of the five percent (5%) franchise tax that is directly remitted to the Bureau of Internal Revenue. These license fees are reported under "Operating costs and expenses" in the consolidated statements of income.

Retirement Costs

The net defined benefit 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 (if any), 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 consolidated statement of income. 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 the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.



Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlements

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where borrowings are associated with specific development of qualifying assets, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Taxes

Current income tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits 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 in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time shall be recognized as "interest expense" in the consolidated statement of income.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when inflows of economic benefit are probable.

Foreign Currency Transactions

Transactions in foreign currencies are recorded in Philippine peso based on the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated at the closing rate of exchange ruling at the consolidated statement of financial position date. Exchange gains or losses arising from foreign currency denominated transactions are credited to or charged against the consolidated statement of income.



Earnings Per Share

Basic earnings is presented per share rate, calculated by dividing net income for the period by the number of shares issued and outstanding during the year.

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively (see Note 24).

Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment subject to risks and rewards that are different from those of other segments, which operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available.

The Group currently operates in one business segment, namely, the management and operations of its gaming and hospitality resort known as Hann Casino and Resort. The chief operating decision maker monitors its operations and evaluates operating performance by reviewing the assets and operations of Hann Casino and Resorts as one operating segment. Accordingly, the Group does not have separate reportable segments.

Hann Casino and Resort has operated in one geographical area (Clark Freeport Zone, Pampanga, Philippines) for the three months ended March 31, 2025 and year ended December 31, 2024, where it derives its revenue. Segment information is presented in Note 23.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes when material.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes thereto. The judgments and estimates used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Identification of contracts with customers

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



Identifying performance obligations

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

The Group grants certain complimentary goods in the form of free hotel accommodation, food and beverages, and retail merchandise from outlets to incentivize future gaming. The Group determined that the complimentary incentives given to the patrons are capable of being distinct and therefore considered as separate performance obligations.

Determination and allocation of the transaction price

The Group considers whether there are other promises in the contracts with customers that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effect of rebates paid through gaming promoters. As the information necessary for the Group to apply judgment and determine the consideration to which it is entitled are proprietary to the gaming promoters and are not communicated by the gaming promoters to the Group, the Group recognized the full amount paid to gaming promoters as reduction in revenue. In allocating the transaction price, the Group considers the amount at which the entity would sell or purchase the promotional merchandise or complimentary incentives separately as the stand-alone selling price of the performance obligations. For rooms, food and beverage revenues, the Group allocates to each good sold or service rendered based on its relative standalone selling price.

Determining whether the Group is acting as a principal or agent

The Group assesses its revenue arrangements against specific criteria to determine if it's acting as principal or agent. The following criteria indicate whether the Group is acting as a principal or an agent:

- The Group has the primary responsibility for providing services to the customer;
- The Group has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Group bears the customer's credit risk for the amount receivable from the customer.

The Group has concluded that generally, it is acting as a principal in its revenue arrangements. However, the Company is acting as an agent for its hotel customer loyalty program.

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating the IBR

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).



The Group's lease liabilities amounted to ₱1,917,203,440 and ₱1,883,100,592 as of March 31, 2025 and December 31, 2024 (see Note 18).

Provisions for expected credit losses of receivables

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

The Group recognized a reversal in provision for credit-impaired financial assets amounting to ₱25,433 and ₱47,002 for the three months ended March 31, 2025 and 2024, respectively. Carrying value of receivables amounted to ₱209,929,068 and ₱231,304,824 as at March 31, 2025 and December 31, 2024, respectively (see Note 5).

Impairment of nonfinancial assets

The Group's nonfinancial assets pertain to its right-of-use assets and property and equipment. The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable taking into consideration the impact of coronavirus pandemic. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs. For impairment loss on specific assets, the recoverable amount represents the fair value less cost to sell.

In determining the present value of the estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the accompanying financial statements.

The carrying value of property and equipment amounted to ₱25,555,017,976 and ₱24,732,885,565 as at March 31, 2025 and December 31, 2024, respectively (see Note 8). The carrying value of the right-of-use-asset amounted to ₱1,524,623,653 and ₱1,516,662,634 as at March 31, 2025 and December 31, 2024, respectively (see Note 18). There was no provision for impairment loss recognized for the three months ended March 31, 2025 and 2024.

Retirement and other retirement benefits

The determination of the obligation and cost of retirement and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 15. Expected returns that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are



reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement and other retirement obligations.

Further details about the assumptions used are provided in Note 15.

The retirement expense recognized in the consolidated statements of income amounted to ₱6,413,728 and ₱6,290,585 for the three months ended March 31, 2025 and 2024, respectively. The Group's retirement obligation amounted to ₱125,773,749 and ₱121,527,508, as of March 31, 2025 and December 31, 2024, respectively. Remeasurement gain on net defined benefit obligation recognized in OCI amounted to ₱2,046,527 and ₱1,969,707 for the three months ended March 31, 2025 and 2024, respectively (see Note 15).

Estimating realizability of deferred tax assets

The Group reviews the carrying amounts of deferred tax assets at each company financial position date and reduces it 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. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of its deferred tax assets to be utilized.

The Group has temporary differences amounting to ₱468,880,111 and ₱432,743,158 as at March 31, 2025 and December 31, 2024, respectively, for which no deferred tax assets have been recognized (see Note 16).

4. Cash

	March 31, 2025	December 31, 2024
Cash on hand	₱274,264,735	₱381,132,156
Cash in banks	1,342,165,452	1,718,716,121
	₱1,616,430,187	₱2,099,848,277

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from the Group's cash amounted to ₱3,678,201 and ₱2,420,889 for the three months ended March 31, 2025 and 2024, respectively.

5. Trade and Other Receivables

	March 31, 2025	December 31, 2024
Trade:		
Hotel	₱96,459,390	₱121,356,330
Gaming	60,526,782	54,251,287
Rental	11,320,004	11,568,126
Related parties (Note 17)	8,185,359	8,099,562
Nontrade	33,144,289	36,061,231
Advances to officers and employees	332,641	562,758
Others	6,670,372	6,140,732
	216,638,837	238,040,026
Allowance for expected credit losses	(6,709,769)	(6,735,202)
	₱209,929,068	₱231,304,824



Hotel receivables pertain to various food, beverage, and hotel service fees receivable from hotel guests. These are non-interest bearing and are normally collected within 30 days. This also includes credit card transactions which are normally collected within three (3) to seven (7) days.

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

Rental receivables are collectible from tenants based on percentage of sales. These are non-interest bearing and with credit terms of 30 days.

Other receivables are noninterest-bearing and generally have 30 to 90 days' term.

The movement in allowance for expected credit losses on trade hotel receivables follows:

	March 31, 2025	December 31, 2024
Beginning balances	₱6,735,202	₱4,219,836
Provision for the year	—	2,515,366
Reversal	(25,433)	—
Ending balances	₱6,709,769	₱6,735,202

6. **Inventories - at cost**

	March 31, 2025	December 31, 2024
Gaming supplies	₱58,142,607	₱74,917,615
Food and beverage	35,198,319	39,016,267
General and other supplies	29,499,599	30,937,026
	₱122,840,525	₱144,870,908

The inventories charged to costs and expenses amounted to ₱121,480,999 and ₱125,246,215 for the three months ended March 31, 2025 and 2024, respectively (see Note 14). No NRV write-down was recognized for the three months ended March 31, 2025 and 2024.

7. **Other Current Assets**

	March 31, 2025	December 31, 2024
Debt service reserve accounts	₱665,167,184	₱668,754,720
Current portion of input VAT	180,327,297	174,375,452
Prepayments	120,080,734	102,170,889
Advances to suppliers	55,932,280	40,626,456
Short-term investments	12,624,863	12,624,863
Others	14,007,248	12,368,875
	₱1,048,139,606	₱1,010,921,255



Debt service reserve accounts

Pursuant to the Omnibus Loan and Security Agreement (see Note 12), the Group is required to set up accounts or Debt Service Reserve Account (DSRA), to be maintained by the DSRA and paying agent for the account of the Group as a security measure for the Lenders to ensure that the borrower will always have funds deposited for the next months of debt service. Interest income earned from the Group's debt service reserve accounts amounted to ₱7,383,915 and ₱7,501,082 for the three months ended March 31, 2025 and 2024, respectively.

Input VAT is offset against output VAT upon payment with government agency.

Prepayments include prepaid insurance, equipment maintenance and rent which will be amortized for three (3) to twelve (12) months at the end of the financial reporting date.

Advances to suppliers pertain to payments made in advance to various suppliers. The payment will eventually be recouped or deducted from the amount payable of the Group, either on a pro-rated basis or in full, once billed by the suppliers.

Short-term investments represent treasury bills with maturity of more than three months that earn interest at the respective short-term investment rates. Treasury bills amounting to ₱12,624,863 as of March 31, 2025 and December 31, 2024, will mature on June 4, 2025. Interest income earned from the Group's short-term investment amounted to ₱144,252 and ₱4,220 for the three months ended March 31, 2025 and 2024, respectively.

Others include deposits that are refundable within one year.



8. **Property and Equipment - net**

As at March 31, 2025

Cost:	Building and Improvements	Machinery and Equipment	Gaming Equipment	Furniture and Equipment	Computer Equipment	Transportation Equipment	Operating Equipment	Construction-in-Progress	Total
Beginning balances	₱15,432,735,551	₱1,248,081,811	₱2,404,316,415	₱1,824,176,262	₱735,636,589	₱ 65,447,718	₱448,727,761	₱9,065,290,208	₱31,224,412,315
Additions	20,786,263	193,049,253	4,173,632	4,057,242	6,732,723	-	2,108,586	985,233,945	1,216,141,644
Transfers	(103,490,797)	-	-	-	-	-	-	103,490,797	-
Disposal	-	-	-	-	-	-	(938,822)	-	(938,822)
Ending balances	15,350,031,017	1,441,131,064	2,408,490,047	1,828,233,504	742,369,312	65,447,718	449,897,525	10,154,014,950	32,439,615,137
Accumulated depreciation:									
Beginning balances	2,204,592,732	739,287,010	1,321,713,666	1,161,338,544	624,245,274	20,389,422	419,960,102	-	6,491,526,750
Depreciation	140,738,791	56,215,603	87,587,576	72,500,001	16,990,944	2,600,716	17,375,602	-	394,009,233
Disposal	-	-	-	-	-	-	(938,822)	-	(938,822)
Ending balances	2,345,331,523	795,502,613	1,409,301,242	1,233,838,545	641,236,218	22,990,138	436,396,882	-	6,884,597,161
Net book values	₱13,004,699,494	₱645,628,451	₱999,188,805	₱594,394,959	₱101,133,094	₱42,457,580	₱13,500,643	₱10,154,014,950	₱25,555,017,976

As at December 31, 2024

Cost:	Building and Improvements	Machinery and Equipment	Gaming Equipment	Furniture and Equipment	Computer Equipment	Transportation Equipment	Operating Equipment	Construction-in-Progress	Total
Beginning balances	₱15,415,374,237	₱1,145,809,214	₱1,758,092,048	₱1,744,339,763	₱647,007,973	₱25,638,789	₱441,717,125	₱5,029,704,406	₱26,207,683,555
Additions	17,361,314	102,272,597	646,224,367	79,895,249	97,073,670	39,808,929	7,591,493	4,035,585,802	5,025,813,421
Disposal	-	-	-	(58,750)	(8,445,054)	-	(580,857)	-	(9,084,661)
Ending balances	15,432,735,551	1,248,081,811	2,404,316,415	1,824,176,262	735,636,589	65,447,718	448,727,761	9,065,290,208	31,224,412,315
Accumulated depreciation:									
Beginning balances	1,588,965,301	553,460,080	1,019,535,012	879,982,989	470,310,156	14,556,831	309,692,634	-	4,836,503,003
Depreciation	615,627,431	185,826,930	302,178,654	281,367,312	162,323,744	5,832,591	110,660,508	-	1,663,817,170
Disposal	-	-	-	(11,757)	(8,388,626)	-	(393,040)	-	(8,793,423)
Ending balances	2,204,592,732	739,287,010	1,321,713,666	1,161,338,544	624,245,274	20,389,422	419,960,102	-	6,491,526,750
Net book values	₱13,228,142,819	₱508,794,801	₱1,082,602,749	₱662,837,718	₱111,391,315	₱45,058,296	₱28,767,659	₱9,065,290,208	₱24,732,885,565



The Group's construction-in-progress (CIP) consists of the Hann Reserve Project, which started in 2023 and is expected to be completed in 2026, as well as the Gaming and Carpark Extension Project, which started in 2024 and is expected to be completed in 2026.

All directly attributable costs related to the Group's CIP include costs on leasehold improvement, general construction works, ROU depreciation and borrowing costs (see Note 18).

The carrying values of the Group's construction-in-progress and casino fixed assets were pledged as collateral for the Group's long-term loans (see Note 12) are as follows:

	March 31, 2025	December 31, 2024
Construction in progress	₱10,154,014,950	₱9,065,290,208
Casino fixed assets		
Building and improvements	4,087,558,207	4,224,871,820
Gaming equipment	999,188,804	1,082,602,749
Furniture and equipment	218,374,938	240,718,760
Computer equipment	51,721,072	55,555,948
Transportation equipment	587,535	663,255
Total assets pledged	₱15,511,445,506	₱14,669,702,740

Capitalized borrowing costs related to bank loans amounted to ₱157,350,491 and ₱90,406,776 for the three months ended March 31, 2025 and 2024, respectively. The interest rate used to determine the amount of borrowing costs eligible for capitalization was 7%, which is the effective interest rate of the specific borrowing.

As at March 31, 2025 and December 31, 2024, the Group had commitments of ₱16.51 billion and ₱17.52 billion, respectively, relating to the completion of Hann Reserve Project and Gaming and Carpark Extension.

Supplemental Disclosure on Noncash Investing Activities

As of March 31, 2025 and December 31, 2024, the Group has non-cash investing activities pertaining to additions to property and equipment amounting to ₱363,214,557 and ₱609,169,211, respectively, which are not yet settled as of period end and are presented under "Accounts payable".

Depreciation expense of ROU and interest expense on lease liabilities are capitalized as "Construction-in-progress" under the "Property and equipment" account, as follows:

	March 31, 2025	March 31, 2024
Depreciation	₱7,918,307	₱7,988,277
Interest expense	24,776,194	23,667,369
	₱32,694,501	₱31,655,646



9. Other Noncurrent Assets

	March 31, 2025	December 31, 2024
Advances to contractors	₱2,013,434,112	₱1,327,988,720
Restricted cash	1,061,573,205	1,076,619,839
Input VAT - net of current portion	958,777,618	922,135,234
Advances to tenants	74,848,779	74,848,779
Rental, utility and other deposits	59,176,208	29,997,390
Deferred input VAT	34,651,513	35,158,631
Performance security deposits	18,913,450	20,774,805
	₱4,221,374,885	₱3,487,523,398

Advances to contractors includes down payments made by the Group to its contractors based on certain percentage of the contract price. The initial down payment will eventually be recouped or deducted from the amount payable of the Group, either on a pro-rated basis or in full, once billed by the contractors beyond one year of reporting date.

Restricted cash pertains to the Group's escrow account for regulatory compliance as a requirement to operate. PAGCOR approved the new Project Implementation Plan for Phase 2 (PIP) of HPI (the "Licensee") in 2023, which plan consists of two (2) phases as follows: (a) Phase 2A within the Clark Freeport Zone, and (b) Phase 2B located in the New Clark City in Tarlac, development to be under HPI and any of its subsidiaries and affiliates, such as but not limited to HDC.

Pursuant to PAGCOR's approval of the Licensee's PIP, the Licensee is required to set-up an escrow account with a maintaining balance of \$18,249,190, with a universal bank mutually agreed with PAGCOR. All funds for the development of the resort - casino project shall pass through the escrow account and all drawdowns of funds from the escrow account must be applied or restricted only to the resort - casino project.

On June 24, 2024, the Licensee executed an Escrow Agreement with UnionBank Investment Management and Trust Corporation ("Escrow Agent") and deposited an amount equal to the required maintaining balance.

The Licensee may withdraw from the fund anytime from time to time, subject to the submission of an original duly signed written letter of instruction by the Licensee to the Escrow Agent, provided that the fund shall not be below the maintaining balance.

Upon completion of the resort - casino project, the escrow account shall be closed and funds in the escrow account shall be withdrawn by and released to HPI. Any interest accruing on the escrow account shall accrue to and pertain to the HPI and shall not be considered part of the escrow funds and may be withdrawn anytime.

On July 18, 2024, PAGCOR has approved the escrow agreement entered by the Licensee.

Trustee fees under finance cost amounted to ₱613,634 and ₱806,000 for the three months ended March 31, 2025 and 2024, respectively.

Advances to tenants relate to amounts owed by tenants for funding their leasehold improvements and fixed assets. These are non-interest bearing with payments based on percentage of sales, collectible within two (2) years.



Rental, utility and other deposits refer to payments made, among others, with respect to rented equipment or property or as required by utility companies as a condition for providing their services.

Performance security deposit relates to the lease agreement with Bases Conversion and Development Authority (BCDA) amounting to ₱162,000,000. Additional security deposit amounting to ₱8,100,000 was paid in 2022 in accordance with the escalation clause of the original lease agreement and the revision in the covered area of the lease agreement. On December 16, 2024, BCDA had billed the group for ₱2,116,800, which represents additional security deposit on the additional leased area (see Note 18).

	March 31, 2025	December 31, 2024
Principal amount	₱172,216,800	₱170,100,000
Additional security deposit	–	2,116,800
Less discount on security deposit	(153,535,908)	(152,338,903)
	18,680,892	19,877,897
Interest income on accretion	232,558	896,908
Present value as at reporting period	₱18,913,450	₱20,774,805

The difference between the face and present value of security deposit amounting to ₱153,535,908 and ₱152,338,903 as at March 31, 2025 and December 31, 2024, respectively, were accounted for as part of the ROU assets.

Shown below is the rollforward of the unamortized discount:

	March 31, 2025	December 31, 2024
Beginning balance	₱151,441,995	₱151,937,239
Additions	2,093,913	401,664
Amortization	(232,558)	(896,908)
Ending balance	₱153,303,350	₱151,441,995

Deferred transaction cost represents legal and documentary stamp taxes paid and attributable to the amount of undrawn borrowing facility scheduled for drawdown in the following year after the reporting date. Upon drawdown, the deferred transaction cost will be accounted for as debt issuance cost which is treated as a discount on the related debt and amortized using the EIR method over the term of the related debt.

10. Accounts Payable

	March 31, 2025	December 31, 2024
Trade		
Third parties	₱682,025,529	₱1,113,972,485
Related parties (Note 17)	54,936,983	49,825,531
Retention payable	625,097,833	710,121,137
Interest payable	470,711,648	426,236,572
Statutory payables	267,004,746	241,981,962
Nontrade	25,037,355	29,895,257
	₱2,124,814,094	₱2,572,032,944



Trade payables are non-interest bearing and are normally settled on a 30-day terms. This includes license fees and rental due to PAGCOR and CDC.

Retention payable represents amounts withheld from payments to contractors as guaranty for any claims within an agreed period of time. These are noninterest-bearing and will be remitted to contractors within a period of one year after the end of the contract work.

Interest payable is from the Company's loan from stockholders which are due on demand.

Statutory payables represent regulatory payables to government agencies which are non-interest bearing and usually settled within one (1) year.

Nontrade payables are non-interest bearing and normally settled on a monthly basis.

11. Accrued Expenses and Other Payables

	March 31, 2025	December 31, 2024
Accrued expenses:		
Contractors	₱986,699,422	₱802,393,016
Contract services	101,918,052	95,277,173
Salaries and employee benefits	45,339,450	15,164,205
Interest	33,602,907	35,614,705
Professional fees	33,313,151	27,637,093
Rent and utilities	28,945,772	42,827,332
Consultancy and marketing fees	9,164,912	5,475,225
Laundry	7,080,287	9,102,414
Management and royalty fees	4,962,790	4,721,424
Communication and transportation	4,830,798	1,856,364
Advertising and promotions	3,500,092	2,040,529
Insurance	2,700,351	1,268,411
Others	26,793,886	50,409,893
Customers' deposits	427,907,173	352,305,615
Outstanding chips	372,549,204	272,298,553
Loyalty program liabilities	67,979,272	81,824,709
	₱2,157,287,519	₱1,800,216,661

Customers' deposits pertain to initial deposits made by the customers for hotel accommodation and casino players' funds deposited over the cage cashier counter for future purchase of chips.

Outstanding chips represent unredeemed gaming chips which are the difference between total gaming chips and the actual inventory of gaming chips in custody or under the Group's control.

The Group identified its outstanding chips liabilities and customers' deposits as contract liabilities as of March 31, 2025 and December 31, 2024. These represent the Group's obligation to provide gaming services to the patrons for which the Group has received consideration from the patrons. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of being purchased. Customer deposits are expected to be recognized as revenue or refunded to the patrons within one year of the date the deposit was received.



The Group runs loyalty programs by which patrons earn points, primarily based on gaming activity, that may be subsequently redeemed for free play and other free goods and services. The Group defers the recognition of revenue by recording a liability equivalent to the approximate selling prices of the points earned expected to be redeemed. Upon actual redemption of the points for Group-owned goods or services, the standalone selling price is then recorded to the appropriate revenue type, which is based on the actual goods and/or services given out. The earned loyalty program points are redeemable within one year and will expire if unredeemed thereafter.

The following table summarizes the liability activity related to contracts with customers:

	Customers' deposits	Outstanding chips liabilities	Loyalty program liabilities	Total
March 31, 2025	₱427,907,173	₱372,549,204	₱67,979,272	₱868,435,649
December 31, 2024	₱352,305,615	₱272,298,553	₱81,824,709	₱706,428,877
	₱75,601,558	₱100,250,651	(₱13,845,437)	₱162,006,772

	Customers' deposits	Outstanding chips liabilities	Loyalty program liabilities	Total
December 31, 2024	₱352,305,615	₱272,298,553	₱81,824,709	₱706,428,877
December 31, 2023	₱295,660,604	₱408,816,900	₱65,069,503	₱769,547,007
	₱56,645,011	(₱136,518,347)	₱16,755,206	(₱63,118,130)

Revenues recognized from the beginning balance of customers' deposits, outstanding chip liabilities and loyalty program liabilities amounted to ₱706,428,877 and ₱769,547,007 for the three months ended March 31, 2025 and 2024, respectively.

12. Loans Payable

Short-term Loans:

On May 29, 2024, UnionBank granted the Group credit facilities with an aggregate amount of ₱2,115,000,000 to support its operational liquidity needs and manage working capital requirements and are valid until May 31, 2025. The credit facilities are generally unsecured, except for the ₱1,150,000,000 line, which consists of the (a) ₱1,000,000,000 loan line that is fully secured by an escrow account managed by Union Bank Investment Management and Trust Corporation and (b) ₱150,000,000 auto fleet line that is secured by a chattel mortgage.

Movement of short-term loans follows.

	March 31, 2025	December 31, 2024
Beginning balances	₱595,000,000	₱—
Availments	2,200,000,000	4,595,000,000
Payments	(1,495,000,000)	(4,000,000,000)
Ending balances	₱1,300,000,000	₱595,000,000

In 2024, UnionBank extended a total of ₱4,595,000,000 non-negotiable loans to the Group for the year, at interest rates of 6% to 8.3% per annum.



UnionBank also extended a total of ₱2,200,000,000 non-negotiable loans to the Group for the three months ended March 31, 2025 at interest rates of 6% to 7% per annum.

Interest expense on short-term loans amounted to ₱2,313,403 and ₱15,030,000 for the three months ended March 31, 2025 and the year ended December 31, 2024, respectively. Out of the outstanding ₱1,300,000,000 short term loans as of March 31, 2025, ₱900,000,000 is from the loan line that is fully secured by an escrow account. As of March 31, 2025 and December 31, 2024, short-term loans amounted to ₱1,300,000,000 and ₱595,000,000, respectively.

Long-term Loans:

	March 31, 2025	December 31, 2024
Banks		
Principal - syndicated loan facilities	₱13,715,000,014	₱14,090,000,015
Less unamortized debt issuance costs	241,906,064	247,001,285
	13,473,093,950	13,842,998,730
Loan from Stockholders	2,279,882,819	2,279,882,819
	15,752,976,769	16,122,881,549
Less current portion of long-term loans	1,434,224,228	1,434,069,260
Noncurrent portion of long-term loans	₱14,318,752,541	₱14,688,812,289

Loan from Banks

On May 17, 2019, the Group, borrower, entered into a ₱7,000,000,000 Omnibus Loan and Security Agreement (“OLSA”) with Asia United Bank (“AUB”) and UnionBank of the Philippines (“UB”) as Lenders, and Asia United Bank Corporation - Trust and Investment Group as Collateral Trustee, DSRA and Paying Agent.

The proceeds from the loan will be used to finance the Group’s ongoing expansion project which include the development and construction of the Hotel Tower 4, Retail Area, Hotel Tower 3, and Casino Expansion.

The original terms of the OLSA include details on quarterly interest payments and annual interest repricing, principal repayment schedule, security agreements, covenants (financial covenants such as debt-to-equity ratio of 2.33 times and a debt service coverage ratio (DSCR) of at least 1.10) and establishment of Debt Service Reserve Account (DSRA) and Debt Service Payment Account (DSPA).

As at December 31, 2024, the last testing date, the Group is in compliance with these debt covenants.

In 2021, the Group has renegotiated the terms of its existing loan agreements with its lenders, the loan modifications include the following:

- i. Increase in principal amount of commitment with AUB to ₱7,000,000,000.
- ii. Amendment on interest rates to be applied for each borrowing, depending on whether made (a) prior to December 31, 2020, or (b) after December 31, 2020.
- iii. Amendment on interest rates on all outstanding advances to be repriced on each of the repricing dates, depending on whether borrowing was made (a) prior to December 31, 2020, or (b) after December 31, 2020.



Based on the Group's assessment, the loan modifications in the contractual cash flows are not substantial and therefore do not result in the derecognition of the affected financial liabilities.

On May 4, 2022, the parties agreed to increase the principal commitment amount to ₱2,500,000,000 and ₱7,500,000,000 with UB and AUB, respectively.

As of March 31, 2025 and December 31, 2024, the OLSA has been fully drawn by the Group.

On March 17, 2023, the Group entered into a new 2023 OLSA amounting to ₱9,000,000,000 with AUB and UB as Lenders, and Asia United Bank Corporation - Trust and Investment Group as Collateral Trustee, DSRA and Paying Agent. Proceeds from the said loan shall be used to fund the Group's equity infusion in HDC in order to partially finance the construction and development of the Hann Reserve Project; repayment of outstanding bridge loans, as applicable, used to finance the Hann Reserve Project; and payment of transaction costs under or relating to this 2023 OLSA.

As of March 31, 2025 and December 31, 2024, drawdowns made by the Group pertaining to this OLSA amounted to ₱5,464,000,015.

On November 12, 2024, the Group entered into a new OLSA (2024 OLSA) amounting to ₱6,000,000,000 with AUB and UB. Proceeds of this credit facility will be used to partially finance (a) construction of the casino expansion building, multilevel car park building, back of house and engineering rooms, and food and beverage areas, and (b) acquisition of gaming and other food and beverage equipment for Hann Casino Project.

As of March 31, 2025 and December 31, 2024, drawdowns made by the Group pertaining to this OLSA amounted to ₱1,576,000,000.

In November 2024, AUB extended to the Group a credit accommodation in the form of a term loan amounting to ₱300,000,000, payable in three (3) years from initial drawdown date. Proceeds shall be for capital expenditures (e.g., construction, fit-outs, electrical works, purchase of security, IT and gaming machines, software, etc.). Amount was fully drawn on November 18, 2024 and remains outstanding as of March 31, 2025.

As of March 31, 2025 and December 31, 2024, the Group has an available credit loan facility amounting to ₱8,350,301,289 and ₱9,088,697,767, respectively.

Repayments of the long-term debt follows:

	March 31, 2025	December 31, 2024
Principal Amount		
Within one (1) year	₱1,500,000,000	₱1,500,000,000
One (1) year to five (5) years	8,564,629,636	8,678,888,896
Over five (5) years	3,650,370,378	3,911,111,119
	₱13,715,000,014	₱14,090,000,015

Capitalized borrowing costs related to long-term loans amounted to ₱157,350,491 and ₱90,406,776 for the three months ended March 31, 2025 and 2024, respectively. Interest expense on long-term loans amounted to ₱149,349,937 and ₱178,663,382 for the three months ended March 31, 2025 and 2024, respectively. Amortization of debt issuance cost charged to profit and loss amounted to ₱8,212,323 and ₱18,490,934 for the three months ended March 31, 2025 and 2024, respectively.



Movement of debt issuance costs follows:

	March 31, 2025	December 31, 2024
Beginning balance	₱247,001,285	₱200,269,519
Additions	13,349,654	131,626,191
Amortization	(18,444,875)	(84,894,425)
Ending balance	₱241,906,064	₱247,001,285

Provision in the loan indicates that the borrower shall pay to the lenders, a commitment fee equivalent to a certain percentage of the undrawn or uncanceled portion of the commitment that the Group does not draw in accordance with the drawdown schedule.

Loan from Stockholders

In 2023, the Group and its stockholders executed a revolving facility and loan agreement to convert its outstanding payables into a revolving facility which may be available as a loan in its entirety. The term of the agreement shall be 10 years and may be extended upon mutual agreements of the parties. Interest rate on loans shall be 9% per annum.

As of March 31, 2025 and December 31, 2024, loan from shareholders amounted to ₱2,279,882,819.

Interest expense on loan from stockholders amounted to ₱51,297,363 and ₱51,867,334 for the three months ended March 31, 2025 and 2024, respectively.

In November 2024, a Deed of Assignment was executed between Hyass (FZE) and HGH. The deed transfers the loan receivable of Hyass (FZE) to HGH amounting to ₱951,701,167, including all accrued interest, net of withholding taxes, as of September 30, 2024 ("cut-off date"). Effective from the date of the Deed, loan from Stockholders of the Group will cease to be under Hyass (FZE) and ultimately be transferred to HGH.

13. Revenues from Contracts with Customers

The table below shows the disaggregation of revenues of the Group by major sources for the three months ended March 31, 2025 and 2024:

	March 31, 2025	March 31, 2024
Types of goods or services:		
Gaming	₱3,001,217,921	₱3,032,922,255
Rooms	244,130,221	199,005,312
Food and beverage	159,120,402	149,876,529
Other operated departments	14,956,069	1,264,865
Total revenue from contracts with customers	₱3,419,424,613	₱3,383,068,961

Performance Obligations

Information about the Group's performance obligations are summarized below:

Gaming revenue

The performance obligation to provide gaming services is satisfied at a point in time which is upon the conclusion of the play and usually occur within a single gaming day.



Rooms, food and beverage and other operating revenues

Rooms, food and beverage, retail and other operating revenues are recognized when services are performed, or the retail goods are sold.

Contract Balances

	March 31, 2025	December 31, 2024
Trade receivables (Note 5):		
Hotel	₱96,459,390	₱121,356,330
Gaming	60,526,782	54,251,287
Rental	11,320,004	11,568,126
Contract liabilities (Note 11):		
Customers' deposits	427,907,173	352,305,615
Outstanding chips liabilities	372,549,204	272,298,553
Loyalty program liabilities	67,979,272	81,824,709

Gaming receivables are noninterest-bearing and are normally collected within 90 days.

Hotel and rental receivables are noninterest-bearing and are normally collected within one month.

The Group has no contract assets as of March 31, 2025 and December 31, 2024.

14. Operating Costs and Expenses

	March 31, 2025	March 31, 2024
Licensing and royalty fees (Notes 18 and 19)	₱493,417,183	₱502,983,259
Personnel costs	442,144,528	444,452,141
Depreciation and amortization (Notes 8 and 18)	399,534,536	405,969,348
Advertising and promotions	214,574,752	369,584,239
Rental (Note 18)	208,888,951	213,015,871
Taxes and licenses	180,793,173	194,500,878
Cost of sales (Note 6)	121,480,998	125,246,214
Outside services and charges	89,967,053	73,141,530
Utilities	82,945,880	60,984,567
Software and hardware maintenance	44,577,377	24,942,301
Operating supplies	40,399,590	46,276,188
Repairs and maintenance	13,178,271	12,823,978
Communication and transportation	10,735,908	7,225,927
Reversal of ECL (Note 5)	(25,433)	(47,002)
Others	36,072,689	54,295,099
	₱2,378,685,456	₱2,535,394,538

Others include donations, insurance, dues and subscription and miscellaneous expenses.



15. Retirement Obligation

The Group has an unfunded, noncontributory defined benefit retirement plan covering all its regular and full-time employees. The plan provides for retirement, separation, disability and death benefits to its regular employees. The benefits are based on the years of service and percentage of latest monthly salary.

Under the existing regulatory framework, Republic Act 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 law. The law does not require minimum funding of the plan.

The following tables summarize the components of retirement obligation recognized in the consolidated statements of income, remeasurement gains/losses recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position.

Retirement expense recognized in the consolidated statements of income:

	March 31, 2025	March 31, 2024
Current service cost	₱4,590,067	₱4,832,391
Interest expense on defined benefit obligation	1,823,661	1,458,194
	₱6,413,728	₱6,290,585

Remeasurements gains (losses) on defined benefit obligation (DBO) recognized in OCI:

	March 31, 2025	March 31, 2024
Actuarial gains (losses) due to:		
Experience adjustments	(₱1,187,065)	(₱2,078,468)
Changes in financial assumptions	3,233,592	4,048,175
Remeasurement gains on defined benefit obligation	₱2,046,527	₱1,969,707

Cumulative remeasurements gains on DBO recognized in OCI:

	March 31, 2025	March 31, 2024
Net amount recognized in OCI, beginning	₱14,670,165	₱18,409,664
Amount recognized during the period	2,046,527	1,969,707
Net amount recognized in OCI, ending	₱16,716,692	₱20,379,371

Present value of the DBO as at March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
DBO, beginning	₱121,527,508	₱95,662,826
Current service cost	4,590,067	16,333,945
Benefits paid directly by the Group	—	(641,962)
Interest expense on defined benefit obligation	1,823,661	6,433,200

(Forward)



	March 31, 2025	December 31, 2024
Actual loss (gain) due to:		
Experience adjustments	₱1,187,065	₱2,534,676
Changes in financial assumptions	(3,233,592)	1,204,823
Net acquired obligation due to employee transfers	(120,960)	—
DBO, ending	₱125,773,749	₱121,527,508

The cost of defined benefit retirement plans as well as the present value of the retirement obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining retirement are shown below:

	March 31, 2025	December 31, 2024
Discount rate	6.34%	6.09%
Future salary increase rate	5.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

		March 31, 2025	December 31, 2024
	Increase (Decrease)		
Discount rates	+1.00%	(₱11,710,791)	(₱11,666,911)
	-1.00%	13,731,322	13,708,601
Salary increase rate	+1.00%	14,461,131	14,266,948
	-1.00%	(12,514,700)	(12,322,594)

Shown below is the maturity profile of the undiscounted benefit payments:

	March 31, 2025	December 31, 2024
Less than one year	₱—	₱—
One to less than five years	90,822,963	87,676,086
Five to less than 10 years	80,336,608	79,959,247
10 to less than 15 years	123,087,121	110,905,729
15 to less than 20 years	164,904,195	171,276,236
20 years and above	729,256,602	721,401,931

The average duration of the expected benefit payments at the end of the reporting period is 16.03 years and 16.34 years as of March 31, 2025 and December 31, 2024, respectively.

The actuarial valuation as of March 31, 2025 was issued on April 29, 2025.



16. Income Taxes

For the three months ended March 31, 2025 and 2024, the Group's provision for income tax pertains deferred taxes and/or current (i.e., regular corporate income tax (RCIT) and minimum corporate income tax (MCIT)) taxes.

Reconciliation between the provision for income tax multiplied by the statutory rate for the three months ended March 31, 2025 and 2024 are as follows:

	March 31, 2025	March 31, 2024
Income at statutory tax rate of 5%	₱42,992,819	₱32,086,146
Loss at statutory tax rates of 25% and 2%	(7,316,110)	(4,437,958)
Adjustment for income subjected to statutory income tax of 25%	—	138,864
Additions to (reductions in) income taxes resulting from:		
Non-taxable income subject to franchise tax	(150,131,718)	(151,457,247)
Nondeductible expenses	107,085,000	119,877,793
Movement in unrecognized deferred tax assets	9,034,238	4,682,035
Interest income subject to final tax	(595,714)	(524,752)
Non-taxable income	(214,086)	(90,541)
	₱854,429	₱274,340

No deferred tax assets were recognized on net-operating loss carry-over (NOLCO) amounting to ₱468,880,111 and ₱432,743,158, as at March 31, 2025 and December 31, 2024, respectively, since management believes that it is not probable that the tax benefits will be realized in the near future.

The components of the recognized deferred tax liabilities are as follows:

	March 31, 2025	December 31, 2024
<i>Deferred tax asset:</i>		
Lease liabilities	(₱402,709,341)	(₱399,010,428)
<i>Deferred tax liabilities:</i>		
ROU assets	406,427,994	401,875,094
Unrealized foreign exchange gains	457,103	456,661
	₱4,175,756	₱3,321,327

Bayanihan to Recover as One Act

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 (bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



As of December 31, 2021, the Group has incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2020	2021-2025	P55,121,816	P—	P—	P—	P55,121,816
2021	2022-2026	19,078,138	—	—	—	19,078,138
		P74,199,954	P—	P—	P—	P74,199,954

As of December 31, 2024, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2022	2023-2025	P45,059,348	P—	P—	P—	P45,059,348
2023	2024-2026	214,617,880	—	—	—	214,617,880
2024	2025-2027	98,865,976	—	—	—	98,865,976
Q1-2025	2026-2028	36,136,953	—	—	—	36,136,953
		P394,680,157	P—	P—	P—	P394,680,157

HPI, a subsidiary, as a CSEZ-registered enterprise, was issued a Certificate of Registration and Tax Exemption (CORTE) on May 10, 2016 and was amended on October 1, 2018 by the CDC, which is valid until May 7, 2020. On October 28, 2019, CDC issued an amended CORTE to HPI valid until April 30, 2021. On May 18, 2021, CDC issued a new certificate which will be effective from May 3, 2021 to April 30, 2024, with the similar incentives and privileges as previous issuances. On March 21, 2024, CDC issued a new certificate which will be effective from May 1, 2024 to April 30, 2027, with the similar incentives and privileges as previous issuances.

HPI is entitled to all incentives available to a CSEZ-registered enterprise, including but not limited to the following: the enterprise shall pay five percent of gross income earned, in lieu of paying national and local taxes, exemption from customs and import duties and national and internal revenue taxes on importation of capital goods, equipment, raw materials, supplies and other articles including household and personal items; and subject to compliance with Bureau of Internal Revenue (BIR) Revenue Regulations (RR) and such other laws on export requirements, exemption from all local and national taxes, including but not limited to corporate withholding income taxes and value added taxes (VAT). Of the five percent (5%) tax on gross income earned, three percent (3%) must be remitted to the national government, one percent (1%) to the local government units affected by CSEZ, and the remaining one percent (1%) to the development fund to be utilized for the development of the municipalities contiguous to the base area.

The amended CORTE also states that HPI was registered to act as foreign exchange dealer / money changer or to engage in the business of buying and/or selling foreign currencies on real time basis as defined under BSP Circular No. 471 dated January 24, 2005.

In October 2023, HPI opted to register as VAT taxpayer as a domestic market enterprise (DME) located inside the Economic or Freeport Zone.



On January 13, 2025, CDC issued a revised Authority to Operate to HPI pursuant to RA No. 12066, otherwise known as the Corporate Recovery and Tax Incentives for Enterprise to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Law, which will be effective from November 28, 2024 to April 30, 2027. This restored HPI's tax incentives on VAT zero rating and exemption on local purchases and importations, respectively.

17. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, 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. Related parties may be individuals or corporate entities. Key management personnel are considered related parties.

The summary of transactions and account balances with related parties is as follows:

Related Party	Nature and Terms of Transaction	Transaction Amounts		Outstanding Receivable (Payable)	
		Q1-2025	2024	Q1-2025	2024
HGH*	(1) Reimbursements of expenses on behalf of related parties; payable in cash, non-interest bearing and on-demand	₱570	₱-	₱570	₱-
	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	-	-	(775,393,336)	(775,393,336)
	(4) Interest from long-term loans; payable in cash and unsecured	17,446,350	70,948,490	(208,234,652)	(192,532,937)
Hyass (FZE)*	(1) Reimbursements of expenses on behalf of related parties; payable in cash, non-interest bearing and on-demand	85,226	7,995,980	8,184,789	8,099,562
	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	-	-	-	-
	(4) Interest from long-term loans; payable in cash and unsecured	-	52,920,594	-	-
WILI**	(1) Trade charges to and from related parties; which are non-interest bearing and are due and demandable	11,840,345	150,992,366	(54,936,983)	(49,825,531)
	(2) Advances to related parties used for working capital requirements; which are non-interest-bearing, with no fixed repayment terms and are due and demandable	29,142,695	488,648,032	524,162,020	495,019,325
HFI***	(1) Trade charges to and from related parties; which are non-interest bearing and are due and demandable	-	2,884	-	-
Shareholder	(2) Advances to shareholder; which are non-interest-bearing, with no fixed repayment terms and are due and demandable	25,089,227	209,624,406	75,699,153	50,640,675
	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	-	-	(1,504,489,483)	(1,504,489,483)
	(4) Interest from long-term loans; payable in cash and unsecured	33,851,013	137,660,788	(262,476,996)	(233,703,635)

*Parent Company

**Under common control

***Corporate social responsibility arm of HPI



- (1) Included in the "Trade receivables" and "Trade payables" (Notes 5 and 10)
 (2) Included in the "Amounts owed by related parties"
 (3) Included in the "Long-term loan" (Note 12)
 (4) Included in the "Nontrade payables" (Note 10)

The Group, WILI, HFI, Hyass (FZE), and HGH are related parties under common majority shareholder ownership.

Compensation of Key Management Personnel

The compensation of key management personnel are as follows:

	March 31, 2025	March 31, 2024
Salaries and other benefits	₱28,801,842	₱35,020,412
Post-employment benefits	2,572,025	2,147,836
	₱31,373,867	₱37,168,248

18. Contracts and Lease Agreements

International Services Agreement with Global Hospitality Licensing (GHL)

HPI has an International Services Agreement with GHL, to render international services and programs for marketing, promotional and public relations campaigns (International Marketing Fund Activities) designed to increase sales or public awareness of the Hotel brand throughout the world. The group marketing fee recognized amounted ₱4,341,715 and ₱3,979,050 for the three months ended March 31, 2025 and 2024, respectively.

Management Contract with Renaissance

HPI has a hotel management contract with Renaissance Hotels International Corporation Limited (RHICL), for the management and operation of CMH, a 260-room hotel. The Agreement shall end on December 31, 2043 ("initial term"), and will be automatically renewed for two (2) periods of five (5) fiscal years each ("renewal term"), unless either the Group or RHICL notifies the other party of its election not to renew at least one (1) year before the end of the initial term or the then-current renewal term, as applicable.

Under the provisions of the Contract, HPI shall pay management fee to RHICL for each fiscal year from September 14, 2018, which is the opening date of the Hotel.

Base management fee amounted to ₱723,619 and ₱663,188 for the three months ended March 31, 2025 and 2024, respectively.

License and Royalty Agreement with Marriott

HPI has a License and Royalty Agreement (LRA) with Marriott International Licensing Company B.V. (MILC), for the right to use the Marriott Trademarks. The Agreement shall also end on October 30, 2044 ("initial term"), and will be automatically renewed for two (2) successive periods of five (5) fiscal years each ("renewal term"), unless either the Group or MILC notifies the other party of its election not to renew at least one (1) year before the end of the initial term or the then-current renewal term, as applicable.

Under the provisions of this Agreement, HPI shall pay MILC the following:

- Base royalty for each fiscal year; and
- Incentive royalty equivalent to a certain percentage of the operating profit for each fiscal year.



Base and incentive royalty fees, included as management fees, amounted to ₱ 13,292,340 and ₱11,475,539 for the three months ended March 31, 2025 and 2024, respectively.

Franchise agreement with S&P Inc.

On July 3, 2019, HPI signed a franchise agreement with S&P Inc., also known as Accor Group (the Franchisor) to franchise SCP for its use of brand.

Under the provisions of the Agreement, the Group shall pay S&P Inc. franchise fees, which include establishment fee and franchise support fee, and system fees, which includes sales and marketing fee, reservation fees, accounting and technology services fee and loyalty program fee.

Franchise fees amounted to ₱3,510,243 and ₱2,139,394 and system fees amounted to ₱2,338,134 and ₱1,947,868 for the three months ended March 31, 2025 and 2024, respectively.

License Agreement with Professional Golfers' Association of America

On August 22, 2022, Professional Golfers' Association of America (PGA) entered into an agreement with the Group, wherein PGA grants the Group to use PGA marks solely in connection with branding the facilities and programs associated with the facilities, provided that such license is limited to use solely within the territory. The term of this agreement shall be the period commencing as of August 22, 2022, and unless earlier terminated or extended pursuant to the terms hereof, continuing through and including March 31, 2030. Total license fees recognized amounted to ₱2,037,933 and ₱1,814,667 for the three months ended March 31, 2025 and 2024, respectively.

Lease Agreements

Variable Lease Agreements

Agreement between WILI and the Group

On April 10, 2016, the Group entered into an Agreement with WILI whereby WILI granted the Group the authority to directly operate the Hann Casino (formerly Widus Casino) for a period of five (5) years effective June 1, 2016, automatically renewable, subject to the terms and conditions mutually agreed by the parties. As provided in the Agreement, WILI shall deliver to the Group the existing Casino building including its existing facilities subject to the terms and conditions set forth in the Sub-lease Agreement entered into separately by both parties and as approved by CDC on May 10, 2016, all the gaming tables, furniture and fixtures, surveillance equipment, cage vaults, office furniture, equipment and paraphernalia considered essential to the operation of the Casino, as well as the inventory list of all unredeemed chips not yet converted to cash. For the purpose of implementing the turnover of facilities and equipment and liabilities pertaining to unredeemed chips, and the like, a transfer of asset and liability agreement was executed by the Group and WILI on June 1, 2016.

In addition, the Agreement provides for the following:

- a) Transfer of WILI employees to the Group which are assigned to casino operations and management;
- b) Payment of monthly lease rental to WILI as stipulated in the Sub-Lease Agreement for its use of the Casino building and payment of monthly percentage share of WILI from the Group's operating income or EBITDA;
- c) Payment to PAGCOR for all the amounts due under the Provisional License Agreement; and,
- d) Lease payment to CDC, lessor, as a percentage of the casino revenues as stated in the Supplemental Agreement with WILI.

Lease to CDC amounted to ₱ 160,909,444 and ₱ 171,006,290 for the three months ended March 31, 2025 and 2024, respectively.



Sub-lease Agreement

Hann Holdings, Inc

On April 1, 2016, HHI entered into a Sub-Lease Agreement with WILI for the use of property consisting the second floor of the Building 5399 located at Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga with a total area of 17.27 sqm. which was approved by CDC. The Sub-Lease Agreement was renewed for another six (6) years commencing May 1, 2024 to April 30, 2030. Rent expense recognized for the three months ended March 31, 2025 and 2024 amounted to ₱25,890 and ₱25,905, respectively (Note 14).

Hann Philippines, Inc.

On May 10, 2016, HPI entered into a Sub-Lease Agreement with WILI for the use of casino property consisting of the ground floor of the Building 5399 located at Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga with a total area of 3,500 sqm. which was approved by CDC. On August 5, 2021, the Sub-Lease agreement was extended until August 31, 2030 to cover the increase in subleased area to 26,269.32 square meters (sqm). On February 24, 2022, the subleased area was reduced to 22,072.38 sqm. On January 31, 2025, amendments were made to the Sub-Lease Agreement to increase the subleased area by 42,093 sqm. Total area leased to the casino operations has become 64,165.87 sqm.

On January 15, 2019, HPI entered into a Sub-Lease Agreement with WILI with an area of 5,447 sqm where the Clark Marriott Hotel is built. The Sub-Lease Agreement is for a period of five years commencing from September 14, 2018 up to September 13, 2023. On July 5, 2021, the sub-leased area was increased by 4,505.81 sqm with total area leased to CMH is 9,952.81 sqm; On July 20, 2023, the lease term was extended for another five years until September 13, 2028.

On August 5, 2021, HPI entered into another Sub-Lease Agreements with WILI with leased area of 4,095 sqm and 3,282.75 sqm where Swissotel Clark Philippines and Eight Avenue Mall, were built, respectively. The Sub-Lease Agreements are for a period of eight (8) years commencing from August 4, 2021 to August 3, 2030.

Variable lease expenses recognized in relation to these agreements and presented in consolidated statements of income under “Rental”, amounted to ₱41,103,696 and ₱35,447,710 for the three months ended March 31, 2025 and 2024, respectively.

Hann Development Corporation

On October 30, 2019, HDC entered into a Sub-Lease Agreement with WILI for the use of property consisting the second floor of the Building 5399 located at Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga with a total area of 15.03 sqm. which was approved by CDC. The Sub-Lease Agreement was renewed on May 23, 2024 to cover a period of six years beginning on October 28, 2024 and ending on October 27, 2030, but as a consequence of the approval of HDC’s merger with HPI effective October 21, 2024, the Sub-Lease Agreement was pre-terminated to take effect on same date.

Rent expense recognized in relation to this agreement amounted to nil and ₱22,545 for the three months ended March 31, 2025 and 2024, respectively (Note 14).

Other Leases

The Group has the following lease contracts related to its land and transportation equipment:

BCDA Lease Agreement

On December 6, 2018, BCDA received from the Group, in its capacity as the lead member of the Hann Consortium composed of the Group and WILI (collectively, the “Proponent”), an unsolicited proposal in the form of a Letter of Intent and Proposed Development Plan, to lease and develop the Leased



Property in the NCC into a Luxury Mountain Resort consisting of, among others, three (3) 18-hole championship golf courses and mixed use facilities (the “Project”).

On February 20, 2019, the BCDA BOD accepted the proposal of the Proponent, subject to further negotiations on the terms and conditions of the lease and development of the Project. The BCDA BOD likewise approved the creation of a special Asset Disposition Program Committee for the Luxury Mountain Resort Development (ADP-Com) in accordance with the BCDA Sale and Lease Guidelines that will negotiate with the Proponent and conduct the Competitive/Swiss Challenge.

BCDA, through the ADP-Com, and the Proponent entered into a detailed negotiation on the terms and conditions of the lease and development of the Leased Property. After evaluation of the Proposal, as well as, the legal, technical and financial qualifications/capabilities of the Proponent, the ADP-Com recommended to the BCDA BOD the acceptance of the Proposal subject to, among others, the condition that the said acceptance shall not confer an Original Proponent Status to the Proponent.

On May 22, 2019, the BCDA BOD approved the financial terms and conditions to be set forth in the Term Sheet for the lease of the Leased Property as negotiated by the ADP-Com, the conferment of the Original Proponent status on the Proponent, as well as, the conduct of the Competitive Challenge pursuant to the BCDA Sale and Lease Guidelines and the basic bid parameters for the Competitive Challenge. Under the BCDA approved Term Sheet, the area of the Lease Property was likewise increased from four hundred (400) hectares to approximately four hundred fifty (450) hectares.

BCDA and the Proponent signed, through their duly authorized representatives, the Term Sheet on June 21, 2019 and June 25, 2019, respectively.

Likewise, on June 26, 2019, BCDA and the Proponent executed a “Certification of Successful Negotiation (With Conferment of Original Proponent Status)” and approved the publication of the “Invitation to Bid for Private Sector Entities to Submit Comparative Proposals” in newspapers of general circulation and in the BCDA website inviting the submission of comparative proposal(s) for the lease and development of the Leased Property in accordance with the BCDA Sale and Lease Guidelines.

On June 27, 2019, BCDA published in newspapers of general circulation and in the BCDA website the “Invitation to Bid for Private Sector Entities (PSEs) to Submit Comparative Proposals.”

On August 15, 2019, the deadline of Submission and Opening of Eligibility Documents and Financial Proposal for the Competitive/Swiss Challenge for the Project, there was no comparative proposal received by BCDA ADP-Com. Subject to post-qualification, the subject leased Property shall be awarded to the Hann Consortium, the Original Proponent.

After the conduct of post-qualification, on September 9, 2019, the ADP-Com recommended to the BCDA Board of Directors the award of the lease and development of the leased Property to the Hann Consortium.

Through a Notice of Award received by the Hann Consortium on October 10, 2019, BCDA awarded the right to lease and develop the Property into a Luxury Mountain Resort to the Hann Consortium (the “Winning PSE”).

Pursuant to the agreement, the Winning PSE shall not assign its right to enter into a Contract of Lease (hereafter, the “Contract”) with BCDA to an Assignee Corporation unless the following conditions are present: (i) the Winning PSE enters into a Guarantee Agreement in favor of BCDA, for and in behalf of the Assignee Corporation’s obligations and responsibilities under the Contract; (ii) the Winning PSE



holds itself to be jointly and severally liable for the obligations of the Assignee Corporation, in favor of BCDA in case of default; (iii) the Assignee is a corporation duly organized under Philippine Laws and duly registered with the Securities and Exchange Commission; and (iv) the assignment to an Assignee Corporation shall be duly approved by BCDA, which approval shall not be unreasonably withheld. Such assignee Corporation shall have all the rights and obligations of the Winning PSE.

Hann Consortium has assigned its right to enter into this Contract to HDC, in accordance with the aforementioned conditions for such assignment and likewise, submitted a Guarantee Agreement in favor of and to the satisfaction of BCDA. Further, after post-qualification of the Assignee Corporation's legal, technical and financial capacity to enter into this Contract by the ADP-Com, the assignment of the right to enter into this Contract was duly approved by the BCDA President and Chief Executive Officer.

The Group received the letter of approval dated August 2, 2019 for the Conceptual Development Plan for the 450-hectare Luxury Mountain Resort project where the BCDA Board, on July 29, 2021, approved the increase in the leased land area of Phase 1 from 115 hectares to 149 hectares in order to complete the developments under Phase 1. The increase in area will reduce the leased area in Phase 2. Early access was also granted for the 10-hectare park development to commence partial development and operation of the open space during Phase 1 development. The BCDA Board also approved the extension of one-year construction period for completion of Phase 1 development to 2025 instead of 2024.

The lease contracts include a clause to enable upward revision to the rental charges on agreed dates. The contract also provides that the Group should pay security deposits amounting to ₱162,000,000, which is refundable upon termination of the contract. Additional security deposit amounting to ₱8,100,000 was paid during 2022 in accordance with the escalation clause of original lease agreement and the revision in the covered area of the lease (see Note 9).

The term of the lease shall be for a period of fifty (50) years. Lease rental payments shall be ₱18 per sqm per annum after the rent-free period of five (5) years subject to 5% escalation every 3 years.

On May 10 2024, BCDA approved the revised Detailed Development Plan, which is modified to increase the leased land area by 5.6 hectares. Lease rate for the additional lease is set at ₱18.90 per sqm per annum. In line with the approved additional leased land area, BCDA required the payment of advance lease rental amounting to ₱2,116,800 representing two (2) years of rent, which shall be applied and credited as payments for the 6th and 7th year of the contract, and an additional security deposit amounting to ₱2,116,800.

Remaining lease term at the date of the modification is forty-six (46) years.

The Group has accounted for the lease modification as a separate lease. As a result, the Group recognized an ROU asset of ₱2,093,914 and ₱12,117,367 and lease liabilities amounting to ₱10,908,292 and ₱10,627,647 as of March 31, 2025 and December 31, 2024, respectively.

Lease agreements on Motor Vehicles

The Group acquired transportation equipment through a three (3) year non-cancellable financing agreement which are payable monthly.

The Group's obligations under these leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. Extension and termination options are normally mutually agreed by lessor and lessee.



The Group also has certain leases of office equipment with low value. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

As of March 31, 2025 and December 31, 2024, transportation equipment were acquired through a three (3) year non-cancellable financing agreement which are payable on a monthly basis amounting to ₱21,628,000 and ₱18,042,000, respectively.

Set out below is the carrying amount of the ROU assets recognized and the movements during the period:

March 31, 2025

	Land	Transportation Equipment	Total
Cost			
Beginning balances	₱1,612,931,357	₱109,111,714	₱1,722,043,071
Additions	2,093,914	19,310,715	21,404,629
Ending balances	1,615,025,271	128,422,429	1,743,447,700
Accumulated depreciation			
Beginning balances	₱164,557,059	₱40,823,378	₱205,380,437
Depreciation	7,918,307	5,525,303	13,443,610
Ending balances	172,475,366	46,348,681	218,824,047
Net book values	₱1,442,549,905	₱82,073,748	₱1,524,623,653

December 31, 2024

	Land	Transportation Equipment	Total
Cost			
Beginning balances	₱1,600,813,990	₱92,328,500	₱1,693,142,490
Additions	12,117,367	16,783,214	28,900,581
Ending balances	1,612,931,357	109,111,714	1,722,043,071
Accumulated depreciation			
Beginning balances	₱132,162,954	₱20,295,221	₱152,458,175
Depreciation	32,394,105	20,528,157	52,922,262
Ending balances	164,557,059	40,823,378	205,380,437
Net book values	₱1,448,374,298	₱68,288,336	₱1,516,662,634

The rollforward analysis of lease liabilities follows:

	March 31, 2025	December 31, 2024
As at January 1	₱1,883,100,592	₱1,789,413,834
Additions	21,628,000	30,159,366
Interest expense	25,684,849	100,492,861

(Forward)



	March 31, 2025	December 31, 2024
Payments of:		
Principal portion	(P12,343,046)	(P32,426,380)
Interest	(866,955)	(4,539,089)
As at end of year	1,917,203,440	1,883,100,592
Less current portion	126,606,326	123,980,382
Noncurrent portion	P1,790,597,114	P1,759,120,210

The following are the amounts recognized in consolidated statements of income:

	March 31, 2025	March 31, 2024
Depreciation of ROU assets	P5,525,303	P4,713,185
Interest expense on lease liabilities	908,655	1,203,251
Interest income from accretion of security deposit (Note 9)	(232,558)	(223,301)
Expenses relating to short-term leases	952,641	1,252,783
Expenses relating to leases of low-value assets	5,923,170	5,309,088
Variable lease payments	202,013,140	206,454,000
Total amount recognized in consolidated statements of income	P215,090,351	P218,709,006

Shown below is the maturity analysis of the undiscounted lease payments:

	March 31, 2025	December 31, 2024
Within one year	P27,887,895	P25,553,811
After one year but not more than five years	322,490,689	314,049,377
More than five years	5,766,419,465	5,766,702,556
	P6,116,798,049	P6,106,305,744

Depreciation expense of ROU and interest expense on lease liability are capitalized as “Construction-in-progress” under the “Property and equipment” account, as follows:

	March 31, 2025	March 31, 2024
Depreciation	P7,918,307	P7,988,277
Interest expense	24,776,194	23,667,369
	P32,694,501	P31,655,646

Finance Cost

Pursuant to the lease agreement with BCDA, the Group committed to invest in the detailed development plan (DDP) the total minimum investment commitment (MIC) of P12 billion within 10 years from the signing of the contract.

Upon signing of the Contract and to ensure the Group's faithful compliance with the approved DDP and complete compliance with the total MIC in the Project, the Group deposited five percent (5%) of the MIC.



BCDA shall return the ₱600,000,000 in cash without interest to the Group within seven (7) days upon receipt or delivery to the satisfaction of BCDA a Performance Security Bond in any of the following forms:

- a) Irrevocable Letter of Credit (LC) issued by a universal or commercial bank authorized by the Bangko Sentral ng Pilipinas equivalent to 5% of the total MIC;
- b) Unconditional Bank Guarantee of Stand-by Letter of Credit issued by a universal or commercial bank acceptable to BCDA equivalent to ten percent (10%) of the total MIC; or
- c) Surety Bond Callable upon demand issued by the Government Service Insurance System equivalent to thirty percent (30%) of the total MIC.

The Group availed of irrevocable LC from AUB and UB in 2019 equivalent to ₱600,000,000, or 5% of the total MIC, which is subject to commission and commitment fee of 1/8 of 1% of the LC per month for each bank, to be remitted quarterly to these banks. Finance cost from commitment fee amounted to ₱2,437,500 and ₱4,500,000 for the three months ended March 31, 2025 and 2024, respectively.

19. Grants of Authority to Develop and Operate a Casino

On April 12, 2016, PAGCOR approved the Deed of Accession entered into by HPI and WILI for the assignment of the Provisional License. The Deed of Accession recognizes and includes HPI as a co-Licensee and co-holder of the Provisional License.

On July 31, 2019, PAGCOR granted the Gaming License to HPI and WILI as co-Licensee and is entitled to the customs duties and tax exemptions specified under Title IV Section 13 of the PAGCOR charter, as amended. The Regular Casino Gaming License shall have the same terms and conditions of the Provisional License, as applicable.

On March 23, 2023, PAGCOR BOD approved the request of co-licensees, HPI & WILI, to remove the co-licensee status of WILI and making HPI the sole entity liable with all terms and conditions of the Provisional License/Regular Casino Gaming License.

Under the Gaming License agreement with PAGCOR, HPI has the following commitments, among others:

- License fees must be remitted on a monthly basis, starting from the date the Casino commences operations, in lieu of all taxes, based on a percentage of Gross Gaming Revenues (GGR) from: (a) high roller tables; (b) non-high roller tables; (c) electronic gaming machines; and (d) junket operation. Total license fees recognized amounted to ₱468,207,547 and ₱480,239,873 for the three months ended March 31, 2025 and 2024, respectively.
- In addition to the above license fees, HPI is required to remit 2% of gaming revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by HPI and approved by PAGCOR. HPI remits the 2% to HFI to manage the funds in accordance to the regulations set by PAGCOR. Total donation recognized in compliance with PAGCOR's Gaming License amounted to ₱14,228,278 and ₱16,703,341 for the three months ended March 31, 2025 and 2024, respectively.
- Grounds for revocation of the license, among others, are as follows: (a) failure to comply with material provision of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) bankruptcy or insolvency; and (d) if debt-to-equity ratio is more than



70:30. As at March 31, 2025 and December 31, 2024, HPI is compliant with the required debt-to-equity ratio.

- Qualifying fees, which are due from each active or registered player entering the casino and subsequently remitted to PAGCOR, amounted to ₱5,645,500 and ₱6,650,600 for the three months ended March 31, 2025 and 2024, respectively.

20. Financial Risk Management and Capital Management Objectives and Policies

Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise of accounts payables, accrued expense and other payables, amounts owed to related parties, long-term loans and lease liabilities. The main purpose of these financial liabilities is to raise funds for the Group's operations and construction of the Project. The Group's principal financial assets include cash, trade and other receivables, amounts owed by related parties and deposits, which arise directly from its operations.

The main risks arising from the use of financial instruments are interest risk, foreign currency risk, credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its short-term and long-term loans. The applicable interest rates on long-term loans are subject for repricing every year based on the criteria mentioned in Note 12.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's income before tax (through the impact on floating rate borrowings).

	Increase/ decrease in rate	Effect on Income before tax
March 31, 2025	0.61%	₱103,492,273
	-0.61%	(103,492,273)
March 31, 2024	0.27%	₱38,405,526
	-0.27%	(38,405,526)

The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.



Foreign currency risk

The Group's foreign currency risk results primarily from the foreign exchange rate movements of the Philippine peso against the U.S. Dollar. The Group resolved to mitigate this risk by taking advantage of market trends. Such trends are used to determine the proper timing of foreign currency transactions in order to realize a foreign currency gain. The following are the financial assets of the Group denominated in U.S. Dollar as at:

	March 31, 2025		December 31, 2024	
	U.S. Dollar	Philippine Peso Equivalent	U.S. Dollar	Philippine Peso Equivalent
<i>Financial asset:</i>				
Cash	\$3,682,616	₱210,682,461	\$2,836,468	₱164,089,674

The closing exchange rate used for the conversion was ₱57.21 and ₱57.85 from U.S. Dollar to Philippine Peso as at March 31, 2025 and December 31, 2024, respectively.

The Group has no financial liabilities denominated in foreign currency.

The following table summarizes the impact on income before income tax of reasonable possible changes in the exchange rate of U.S. Dollar against Philippine Peso. The reasonable movement in exchange rate was determined using one (1) year historical data.

	Increase/ decrease in basis points	Effect on Income before tax
March 31, 2025	2.18%	₱4,585,251
	-2.18%	(4,585,251)
 March 31, 2024	 2.30%	 ₱1,355,131
	 -2.30%	 (1,355,131)

There is no other impact on the Group's equity other than those already affecting the consolidated statement of income.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Cash in banks

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group invests only on short-term investments with very low credit risk.

Trade receivables

The Group deals only with recognized, creditworthy third parties. It is the policy of the Group that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the exposure of the Group



to bad debts is not significant. The Group does not offer credit terms to third parties, without specific approval of management.

The Group has the following financial assets that are subject to the expected credit loss model:

General Approach

- *Cash in banks.* The ECL relating to the cash of the Group is minimal as these are deposited in reputable banks which have good credit rating and are considered to have lower credit risk.
- *Amounts owed by related parties and other receivables.* The Group did not recognize any allowance to receivable from counterparties based on benchmarking/use of external supplementary data. This assessment is undertaken each financial year through examination of the financial position of the related parties and the markets in which the related parties operate.
- *Deposits.* Deposits are deposited with third parties which have good credit standing and are considered to have lower credit risk, hence, probability of default is expected to be less likely.

Simplified Approach

- *Trade receivables.* The Group applied the simplified approach under PFRS 9, using a 'provision matrix', in measuring expected credit losses which uses a lifetime expected loss allowance for receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

March 31, 2025

	Current	>30 days	>90 days	>90 days but > 360 days	Over 360 days	Specifically identified credit impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	
Estimated total gross carrying amount of trade receivables	₱54,867,791	₱37,076,379	₱43,571,088	₱29,790,996	₱4,475,512	₱6,709,769	₱176,491,535
ECL	₱-	₱-	₱-	₱-	₱-	₱6,709,769	₱6,709,769

December 31, 2024

	Current	>30 days	>90 days	>90 days but > 360 days	Over 360 days	Specifically identified credit impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	
Estimated total gross carrying amount of trade receivables	₱65,992,766	₱81,574,882	₱32,775,892	₱3,387,155	₱4,809,408	₱6,735,202	₱195,275,305
ECL	₱-	₱-	₱-	₱-	₱-	₱6,735,202	₱6,735,202

Concentration of risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions, such as fluctuations in currencies or interest rates. There are no significant concentrations of credit risk in the Group.



Credit risk exposures

The carrying amounts of the assets represent the maximum credit exposure. The table below shows the gross maximum exposure to on- and off- consolidated statement of financial position credit risk exposures of the Group, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques:

	March 31, 2025	December 31, 2024
Cash*	₱1,342,165,452	₱1,718,716,121
Trade and other receivables		
Trade	169,781,766	188,540,103
Nontrade and others	39,814,661	42,201,963
Amounts owed by related parties	599,861,173	545,660,000
Advances to tenants	74,848,779	74,848,779
Deposits	231,393,008	202,214,190
	₱2,457,864,839	₱2,772,181,156

*Excluding cash on hand

Liquidity risk

The Group monitors and maintains a level of cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances, when necessary.

As part of its liquidity strategy, the Group will set aside cash to ensure that financial obligations will be met as they fall due. The Group has cash amounting to ₱1,616,430,187 and ₱2,099,848,277 as of March 31, 2025 and December 31, 2024, respectively, that are available to meet the Group's liquidity needs. The Group also has debt service reserve account amounting to ₱665,167,184 and ₱668,754,720 as of March 31, 2025 and December 31, 2024, respectively.

The Group also expects to meet its working capital and capital expenditure for the next 12 months primarily from debt financing and cash flows from operations. As at March 31, 2025 and December 31, 2024, the Group has undrawn borrowing facilities that may be available in the future for the operating activities amounting ₱8,350,301,289 to and ₱9,088,697,767, respectively (see Note 12).

The table summarizes the maturity profile of the Group's financial liabilities as at March 31, 2025 and December 31, 2024 based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. Balances due within 6 months equal their carrying amounts, as the impact of discounting is insignificant.

As at March 31, 2025

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<i>Financial liabilities:</i>						
<i>Other financial liabilities:</i>						
Accounts payable						
Trade	₱200,627,045	₱481,927,161	₱48,694,574	₱5,713,732	₱-	₱736,962,512
Nontrade*	426,097,178	286,176	5,952,998	217,798,836	-	650,135,188
Accrued expenses and other payables	1,023,855,406	192,701,600	34,739,175	3,952,782	-	1,255,248,963
Short-term loans						
Principal	-	1,300,000,000	-	-	-	1,300,000,000
Interest	-	1,594,444	-	-	-	1,594,444

(Forward)



	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long-term loans						
Principal	P-	P375,000,000	P1,125,000,000	P8,564,629,636	P5,930,253,197	P15,994,882,833
Interest	504,314,555	261,544,214	1,037,145,829	3,570,268,946	1,227,729,805	6,601,003,349
Lease liabilities	-	9,259,488	18,628,407	322,490,689	5,766,419,465	6,116,798,049
	P2,154,894,184	P2,622,313,083	P2,270,160,983	P12,684,854,621	P12,924,402,467	P32,656,625,338

*Excluding statutory payables of P267,004,746

As at December 31, 2024

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Financial liabilities:						
Other financial liabilities:						
Accounts payable						
Trade	P261,118,088	P861,850,854	P35,938,671	P4,890,403	P-	P1,163,798,016
Nontrade*	609,375,421	2,449,567	3,904,908	124,286,498	-	740,016,394
Accrued expenses and other payables	866,506,407	96,965,952	93,940,498	760,222	-	1,058,173,079
Short-term loans						
Principal	-	595,000,000	-	-	-	595,000,000
Interest	1,437,917	718,958	-	-	-	2,156,875
Long-term loans						
Principal	-	375,000,000	1,125,000,000	8,678,888,896	6,190,993,938	16,369,882,834
Interest	460,413,360	262,864,968	1,067,097,319	3,750,231,268	1,312,963,114	6,853,570,029
Lease liabilities	-	8,249,580	17,304,231	314,049,377	5,766,702,556	6,106,305,744
	P2,198,851,193	P 2,203,099,879	P2,343,185,627	P12,873,106,664	P13,270,659,608	P32,888,902,971

*Excluding statutory payables of P241,981,962

Fair Values

The Group has determined that the carrying amounts of cash, trade and other receivables, accounts payables, accrued and other payables, amounts owed by related parties, and deposits reasonably approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair values of long-term loans with variable rates that re-price annually approximate their carrying values.

Capital Management

The primary objective of the Group's capital management is to maintain healthy capital ratios to support its business, maximize stockholder value, comply with capital restrictions and requirements as imposed by regulatory bodies, including limitations on ownership over the Group's shares, requisites for actual listing and trading of additional shares, if any, and required minimum debt to base equity, excluding reserve from evaluation of property, plant and equipment, and advances from related parties.

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 issue new shares. The Group monitors capital on the basis of debt-to-equity ratio in order to comply with PAGCOR requirement and loan debt covenant (see Note 12).

The Group considers the following as capital:

	March 31, 2025	December 31, 2024
Capital stock	P200,000,000	P200,000,000
Retained earnings	11,299,269,054	10,456,926,115
	P11,499,269,054	P10,656,926,115

No changes were made in the objectives, policies or processes for the three months ended March 31, 2025 and 2024.



The Group monitors capital on the basis of debt-to-equity ratio in order to comply with PAGCOR requirement and long-term loans covenant (see Notes 12 and 19). The Group's strategy is to maintain a sustainable debt-to-equity ratio.

21. Equity

Capital Stock

	March 31, 2025		December 31, 2024	
	Shares	Amount	Shares	Amount
Capital Stock		₱0.10 par value		₱0.10 par value
Authorized	4,100,000,000	₱410,000,000	4,100,000,000	₱410,000,000
Subscribed and paid-up	2,000,000,000	₱200,000,000	2,000,000,000	₱200,000,000

Increase in authorized capital stock

On April 5, 2024, the BOD approved the increase in the authorized capital stock and change in par value of the common shares of the Parent Company, from ₱160,000,000 (consisting of 1,600,000 common shares with a par value of ₱100 per share) to ₱410,000,000 (divided into 4,100,000,000 common shares with a reduced par value of ₱0.10 per share). No bonded indebtedness has been incurred, created, or increased.

On August 30, 2024, the SEC has approved the Parent Company's application.

The total amount of increase in the authorized capital stock, considering the change in par value of the common shares, is ₱250,000,000, which consists of 2,500,000,000 shares with ₱0.10 par value per share. Out of this increase, ₱160,000,000 (1,600,000,000 shares at ₱0.10 par value) has been subscribed and fully paid for in cash by Hann Group Holdings, W.L.L. in April 2024. All non-subscribing stockholders have waived their pre-emptive rights to subscribe to the increase in capital stock.

The number of shares that had already been subscribed immediately preceding the approval of increase in authorized capital stock and adjustment to par value of common shares in August 2024 shall be adjusted from 400,000 shares (at ₱100 par value per share) to 400,000,000 shares (at ₱0.10 par value per share); hence, their total value shall remain at ₱40,000,000 after the increase in authorized capital stock with corresponding decrease in par value.

Payment for subscription receivable

In September 2024, payment for the remaining ₱ 10,000,000 subscription receivable as of December 31, 2023 was received in cash.

Retained Earnings

The retained earnings of HPI, the Parent Company's major subsidiary, amounted to ₱11,538,381,995 and ₱10,692,887,259 as at March 31, 2025 and December 31, 2024, respectively. The appropriated retained earnings of HPI amounted to ₱10,405,000,000 as of March 31, 2025 and December 31, 2024, respectively for the purpose of the following:

- a) funding various expansion projects, such as
 - the expansion of the current property in the Clark Freeport Zone through a gaming and carpark extension (GCE). The approximated completion date is Q1 of 2026.
 - another expansion at New Clark City, Tarlac. The project, called "Hann Reserve", will open across two phases that are targeted to open fully by 2030.
- b) complying with the Group's existing loan covenants and other related commitments to creditors (see Note 12).

The retained earnings of HPI is not available for dividend declaration unless declared to HHI.



22. Changes in Liabilities Arising from Financing Activities

The following table summarizes the changes in liabilities arising from financing activities for the periods March 31, 2025 and 2024:

As at March 31, 2025

	January 1, 2025	Cash Flows	Others	March 31, 2025
Long-term loans - current	₱1,434,069,260	(₱375,000,000)	₱375,154,968	₱1,434,224,228
Long-term loans - noncurrent	14,688,812,289	(13,349,654)	(356,710,094)	14,318,752,541
Lease liabilities - current	123,980,382	(13,210,001)	15,835,945	126,606,326
Lease liabilities - noncurrent	1,759,120,210	–	31,476,904	1,790,597,114
Interest payable - loans	35,614,705	(300,793,076)	298,781,278	33,602,907
Short-term loans	595,000,000	705,000,000	–	1,300,000,000
Cash under DSRA allocated for loan payments	668,754,720	(3,587,536)	–	665,167,184
Total liabilities from financing activities	₱19,305,351,566	(₱940,267)	₱364,539,001	₱19,668,950,300

As at March 31, 2024

	January 1, 2024	Cash Flows	Others	March 31, 2024
Long-term loans - current	₱1,440,159,894	(₱375,000,000)	₱399,755,095	₱1,464,914,989
Long-term loans - noncurrent	11,299,135,346	1,923,811,817	(425,053,215)	12,797,893,948
Lease liabilities - current	118,706,966	(7,209,054)	24,969,954	136,467,866
Lease liabilities - noncurrent	1,670,706,868	–	7,268,666	1,677,975,534
Interest payable - loans	65,000,118	(238,646,942)	197,443,958	23,797,134
Cash under DSRA allocated for loan payments	617,058,273	19,761,388	–	636,819,661
Total liabilities from financing activities	₱15,210,767,465	₱1,322,717,209	₱204,384,458	₱16,737,869,132

Others pertain to reclassifications, interest expense, share issuance cost charged to retained earnings and non-cash addition to lease liabilities (see Note 18).

23. Segment Information

The Group's principal operating and developmental activities are to engage in the gaming and hospitality business in the Philippines. The chief operating decision maker monitors its operations and evaluates earnings by reviewing the assets and operations of Hann Casino and Resorts as one operating segment. Upon commencement of operations of Hann Casino and Resort in 2016 and as of March 31, 2025 and December 31, 2024, the Group operates in one geographical area located in Clark Freeport Zone, Pampanga, Philippines, where it derives its revenues.

The chief operating decision maker monitors the operating results of its segment for making decisions about resource allocation and performance assessment. The Group evaluates segment performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRS Accounting Standards and may not be comparable to similarly titled measures presented by other entities. The Group's EBITDA is computed as the Group's consolidated net income/loss before interest expense, provision for/benefit from income tax, and depreciation and amortization, net foreign exchange gains/losses and non-recurring expenses.



The results of the Group's lone operating segment, Hann Casino and Resorts, for the months ended March 31, 2025 and 2024 are as follows:

	March 31, 2025	March 31, 2024
EBITDA	₱1,466,402,721	₱1,270,243,887
Depreciation and amortization	(399,534,536)	(405,969,352)
Interest expense	(203,869,358)	(231,733,967)
Finance charges	(11,263,457)	(23,796,934)
Foreign exchange gain - net	5,606,093	21,420,550
Other expense	(14,144,095)	(5,979,653)
Provision for income tax	(854,429)	(274,340)
Consolidated income	₱842,342,939	₱623,910,191

	March 31, 2025	March 31, 2024
Revenue	₱3,419,424,613	₱3,383,068,961
Operating costs and expenses	(2,378,685,456)	(2,535,394,538)
Other income (expenses)		
Interest expense	(203,869,358)	(231,733,967)
Finance charges	(11,263,457)	(23,796,934)
Foreign exchange gain - net	5,606,093	21,420,550
Interest income	11,438,926	10,149,492
Others	546,007	470,967
Benefit from income tax	(854,429)	(274,340)
Consolidated income	₱842,342,939	₱623,910,191

The assets and liabilities of the Group's lone operating segment, Hann Casino and Resorts, as at March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Assets:		
Segment assets	₱34,898,217,073	₱33,769,676,861
Deferred tax assets - net	—	—
Total assets	₱34,898,217,073	₱33,769,676,861

	March 31, 2025	December 31, 2024
Liabilities:		
Segment liabilities	₱23,378,055,571	₱23,094,759,254
Deferred tax liabilities - net	4,175,756	3,321,327
Total liabilities	₱23,382,231,327	₱23,098,080,581

24. Basic/Diluted Earnings per Share on Net Income Attributable to Equity Holder of the Group

In 2024, the number of common shares outstanding increased as a result of change in the par value from ₱100 to ₱0.10. Thus, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.



The following table presents calculation of earnings per share:

	March 31, 2025	March 31, 2024
(a) Net income attributable to equity holders of the Parent Company	₱842,342,939	₱623,910,191
(b) Number of issued shares at beginning and end of period	2,000,000,000	400,000,000
Basic and diluted earnings per share (a)/(b)	₱0.42	₱1.56



INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Hann Holdings, Inc. and Subsidiaries
Building 5399 M. A. Roxas Highway
Clark Freeport Zone 2023, Pampanga

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, 2023 and 2022, and its consolidated financial performance and its consolidated 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 (PSAs). Our responsibilities under those standards are further described in the *Auditor's 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 our 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.

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

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

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



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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.



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

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat

Jose Pepito E. Zabat III

Partner

CPA Certificate No. 85501

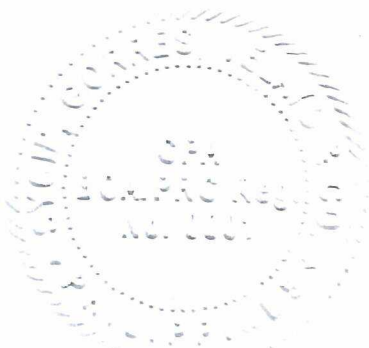
Tax Identification No. 102-100-830

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-060-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10465410, January 2, 2025, Makati City

May 21, 2025





STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **Hann Holdings, Inc. and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2024, 2023 and 2022 and for the years ended December 31, 2024, 2023 and 2022 in accordance with the Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors (BOD) is responsible for overseeing the Group's financial reporting process.

The BOD reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors appointed by the stockholders have audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Signature:

DAE SIK HAN

Chairman / President / Chief Executive Officer

MITCHELL A. ESTACIO

Treasurer / Chief Financial Officer

Signed this MAY 09 2025.

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
ANGELES CITY) S.S.

ANGELES CITY

09 MAY 2025

BEFORE ME, a Notary Public in and for _____, on this ____ day of _____ 2025,
personally appeared the following:

Name	Government ID	Date of Issuance / Place of Issue or Issuing Authority
DAESIK HAN	Passport No. M66838096	issued on 16 December 2020/ Ministry of Foreign Affairs, South Korea
MITCHELL A. ESTACIO	Passport No. P9671778A	issued on 22 November 2018 / DFA Pampanga

Doc. No. 390 ;
Page No. 83 ;
Book No. XVI ;
Series of 2025.

ATTY. JONATHAN FRANCIS C. NEPOMUCENO
NOTARY PUBLIC - ANGELES CITY
COMMISSION NO. 24-1179
UNTIL DECEMBER 31, 2026
ROLL NO. 59717
IBP NO. 012385 / LIFETIME / PAMPANGA
PTR NO. AC-2196501/ 12-18-2024 FOR 2025 / ANGELES CITY
MCLE COMPLIANCE NO. VIII-0012027 / 04-14-2028- PASIG CITY
RM. 105 1ST FLR, ABC BLDG., TERESA AVE.
NEPO CENTER, STO. ROSARIO, ANGELES CITY

HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31		
	2024	2023	2022
ASSETS			
Current Assets			
Cash (Note 4)	₱2,099,848,277	₱2,415,248,707	₱1,967,666,623
Trade and other receivables (Note 5)	231,304,824	264,694,064	134,341,883
Amounts owed by related parties (Note 17)	545,660,000	72,433,252	40,605,285
Inventories - at cost (Note 6)	144,870,908	110,894,887	128,612,344
Other current assets (Note 7)	1,010,921,255	919,025,794	587,101,747
Total Current Assets	4,032,605,264	3,782,296,704	2,858,327,882
Noncurrent Assets			
Property and equipment (Note 8)	24,732,885,565	21,371,180,552	19,310,017,335
Right-of-use assets (Note 18)	1,516,662,634	1,540,684,315	1,550,539,906
Other noncurrent assets (Note 9)	3,487,523,398	1,053,399,153	207,270,429
Total Noncurrent Assets	29,737,071,597	23,965,264,020	21,067,827,670
TOTAL ASSETS	₱33,769,676,861	₱27,747,560,724	₱23,926,155,552
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable (Note 10)	₱2,572,032,944	₱2,385,482,946	₱2,036,179,641
Accrued expenses and other payables (Note 11)	1,800,216,661	1,935,810,205	2,412,351,473
Short-term loans (Note 12)	595,000,000	—	—
Current portion of long-term loans (Note 12)	1,434,069,260	1,440,159,894	1,202,647,691
Current portion of lease liabilities (Note 18)	123,980,382	118,706,966	104,771,551
Amounts owed to related parties (Note 17)	—	—	2,065,259,858
Total Current Liabilities	6,525,299,247	5,880,160,011	7,821,210,214
Noncurrent Liabilities			
Long-term loans - net of current portion (Note 12)	14,688,812,289	11,299,135,346	8,180,711,822
Retirement obligation (Note 15)	121,527,508	95,662,826	130,989,750
Lease liabilities - net of current portion (Note 18)	1,759,120,210	1,670,706,868	1,582,544,067
Deferred tax liabilities (Note 16)	3,321,327	1,855,923	230,516
Total Noncurrent Liabilities	16,572,781,334	13,067,360,963	9,894,476,155
Total Liabilities	23,098,080,581	18,947,520,974	17,715,686,369
Equity			
Capital stock (Note 21)	200,000,000	30,000,000	30,000,000
Remeasurement gain (loss) on defined benefit obligation (Note 15)	14,670,165	18,409,664	(56,393,256)
Retained earnings	10,456,926,115	8,751,630,086	6,236,862,439
Total Equity	10,671,596,280	8,800,039,750	6,210,469,183
TOTAL LIABILITIES AND EQUITY	₱33,769,676,861	₱27,747,560,724	₱23,926,155,552

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUES (Note 13)			
Gaming	₱10,988,248,113	₱10,175,711,568	₱7,396,734,152
Rooms	891,837,300	771,755,551	564,214,435
Food and beverage	662,951,577	727,222,082	666,535,556
Other operated departments	29,304,878	18,632,298	12,088,739
	12,572,341,868	11,693,321,499	8,639,572,882
OPERATING COSTS AND EXPENSES (Note 14)	9,986,443,372	9,025,457,330	7,174,130,348
OTHER INCOME (CHARGES)			
Interest expense (Notes 12 and 18)	(890,835,643)	(211,893,739)	(1,722,099)
Finance charges (Notes 9, 12 and 18)	(73,484,252)	(18,682,000)	(18,325,591)
Foreign exchange gain - net	41,331,186	41,756,808	24,928,420
Interest income (Notes 4, 7 and 9)	44,409,324	37,371,246	18,115,563
Others	1,558,545	2,081,624	1,238,277
	(877,020,840)	(149,366,061)	24,234,570
INCOME BEFORE INCOME TAX	1,708,877,656	2,518,498,108	1,489,677,104
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 16)			
Current	6,143	2,105,054	550,394
Deferred	1,465,404	1,625,407	(64,269)
	1,471,547	3,730,461	486,125
NET INCOME	₱1,707,406,109	₱2,514,767,647	₱1,489,190,979
Basic and Diluted Earnings Per Share (Note 24)	₱0.85	₱6.29	₱3.72

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
NET INCOME	¥1,707,406,109	¥2,514,767,647	¥1,489,190,979
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item not to be reclassified to profit or loss in subsequent periods:</i>			
Remeasurement income (loss) on defined benefit obligation, net of tax (Note 15)	(3,739,499)	74,802,920	(53,095,185)
TOTAL COMPREHENSIVE INCOME	¥1,703,666,610	¥2,589,570,567	¥1,436,095,794

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

	Capital Stock (Note 21)	Remeasurement Gain (Loss) on Defined Benefit Obligation (Note 15)	Retained Earnings	Total
As at January 1, 2022	₱30,000,000	(₱3,298,071)	₱4,756,191,460	₱4,782,893,389
Net income	—	—	1,489,190,979	1,489,190,979
Other comprehensive loss	—	(53,095,185)	—	(53,095,185)
Total comprehensive income (loss)	—	(53,095,185)	1,489,190,979	1,436,095,794
Share issuance costs			(8,520,000)	(8,520,000)
As at December 31, 2022	30,000,000	(56,393,256)	6,236,862,439	6,210,469,183
Net income	—	—	2,514,767,647	2,514,767,647
Other comprehensive loss	—	74,802,920	—	74,802,920
Total comprehensive income	—	74,802,920	2,514,767,647	2,589,570,567
As at December 31, 2023	30,000,000	18,409,664	8,751,630,086	8,800,039,750
Net income	—	—	1,707,406,109	1,707,406,109
Other comprehensive loss	—	(3,739,499)	—	(3,739,499)
Total comprehensive income (loss)	—	(3,739,499)	1,707,406,109	1,703,666,610
Issuance of capital stock	170,000,000	—	—	170,000,000
Share issuance costs	—	—	(2,110,080)	(2,110,080)
As at December 31, 2024	₱200,000,000	₱14,670,165	₱10,456,926,115	₱10,671,596,280

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱1,708,877,656	₱2,518,498,108	₱1,489,677,104
Adjustments for:			
Depreciation and amortization on:			
Property and equipment (Note 8)	1,663,817,170	1,774,534,960	1,467,454,379
ROU assets (Note 18)	20,528,157	14,258,204	5,920,983
Debt Issuance Cost (Note 12)	57,322,498	—	—
Interest expense on:			
Loans (Note 12)	886,159,504	208,039,307	—
Lease liabilities (Note 18)	4,676,139	3,854,432	1,722,099
Retirement expense (Note 15)	22,767,145	39,498,532	56,316,171
Provision for expected credit losses (Note 5)	2,515,366	1,499,091	549,387
Unrealized foreign exchange loss (gain) - net	336,730	(2,839,263)	(1,123,037)
Loss on disposal (Note 8)	291,238	92,670	—
Interest income (Notes 4, 7 and 9)	(44,409,324)	(37,371,246)	(18,115,563)
Operating income before working capital changes	4,322,882,279	4,520,064,795	3,002,401,523
Decrease (increase) in:			
Trade and other receivables	30,873,874	(131,851,272)	(87,587,113)
Amounts owed by related parties	(473,226,748)	(31,850,503)	95,180,799
Inventories	(33,976,021)	17,717,457	(82,101,319)
Other current assets	(143,709,165)	(565,930,826)	(698,431,683)
Increase (decrease) in:			
Accounts payable	(344,883,357)	27,968,414	1,331,638,714
Accrued expenses and other payables	(182,498,572)	(497,541,797)	1,678,025,362
Net cash flows generated from operations	3,175,462,290	3,338,576,268	5,239,126,283
Interest received	43,629,673	36,356,855	17,273,993
Benefits paid from the Group's fund	(641,962)	—	—
Income taxes paid	(6,143)	(2,105,054)	(26,991,013)
Net cash flows generated from operating activities	3,218,443,858	3,372,828,069	5,229,409,263
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in other noncurrent assets	(2,482,383,687)	(842,553,200)	(171,850,163)
Additions to:			
Property and equipment	(4,173,178,578)	(2,868,658,987)	(5,229,137,909)
Security deposit		—	(8,100,000)
Net cash flows used in investing activities	(6,655,562,265)	(3,711,212,187)	(5,409,088,072)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Short-term loans (Note 12)	₱4,595,000,000	₱-	₱-
Long-term loans	4,930,318,075	2,409,681,940	1,750,000,000
Proceeds from issuance of capital stock	170,000,000	-	-
Cash under DSRA allocated for loan payments	51,696,447	234,167,146	288,634,024
Payments for:			
Principal portion of:			
Short-term loans	(4,000,000,000)	-	-
Long-term loans	(1,500,000,000)	(1,250,000,000)	(500,000,000)
Lease liabilities (Note 18)	(32,426,380)	(27,095,406)	(16,408,506)
Interest on:			
Short-term loans	(13,592,083)	-	-
Long-term loans	(1,002,371,451)	(660,212,116)	(491,806,380)
Lease liabilities	(4,539,089)	(3,993,417)	(1,648,278)
Deferred financing costs	(69,920,732)	(134,044,169)	(31,616,445)
Share issuance costs	(2,110,080)	-	(8,520,000)
Increase in amounts owed to related parties	-	214,622,961	443,960,053
Net cash flows generated from financing activities	3,122,054,707	783,126,939	1,432,594,468
NET INCREASE (DECREASE) IN CASH	(315,063,700)	444,742,821	1,252,915,659
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(336,730)	2,839,263	1,123,037
CASH AT BEGINNING OF YEAR	2,415,248,707	1,967,666,623	713,627,927
CASH AT END OF YEAR (Note 4)	₱2,099,848,277	₱2,415,248,707	₱1,967,666,623

See accompanying Notes to Consolidated Financial Statements.



HANN HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Business

Corporate Information

Hann Holdings, Inc. (herein referred to as “HHI” or the “Parent Company”) is incorporated and registered with the Philippine Securities and Exchange Commission (SEC) with primary purpose to purchase, subscribe for, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, develop or otherwise dispose of subject to limitations imposed by law, real and personal property of every kind, bonds, debentures, notes, evidences of indebtedness and other securities, contracts, or obligations of any corporation or corporations, association or associations, domestic or foreign and to pay therefore, in whole or in part, in cash or by exchanging, therefore stocks, bonds or other evidences of indebtedness or securities of any other corporations, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts, or obligations, to receive, collect, and dispose of the interest, dividends and income arising from such property and to possess and exercise, in respect thereof, all the rights, power and privileges of ownership, including tall voting power on any stocks so owned, to render management and administrative services; provided, however, that nothing herein shall be construed to authorized the Corporation to engage in business as an investment company, an investment house, and a dealer or broker in securities, or to engage in the management of funds, portfolios, or similar assets of the managed firm, person or entity.

As of December 31, 2023, the Parent Company is wholly-owned by Hyass (FZE), a limited liability free zone establishment in United Arab Emirates.

On April 5, 2024, the Board of Directors (BOD) approved the increase in the authorized capital stock and change in par value of the common shares of the Parent Company, from ₱160,000,000 (consisting of 1,600,000 common shares with a par value of ₱100 per share) to ₱410,000,000 (divided into 4,100,000,000 common shares with a reduced par value of ₱0.10 per share). On August 30, 2024, the SEC has approved the Parent Company’s application for increase in authorized capital stock.

The total amount of increase in the authorized capital stock, considering the change in par value of the common shares, is ₱250,000,000, which consists of 2,500,000,000 shares with ₱0.10 par value per share. Out of this increase, ₱160,000,000 (1,600,000,000 shares at ₱0.10 par value), has been subscribed and fully paid for in cash by Hann Group Holdings, W.L.L (HGH), a limited liability company registered in the Kingdom of Bahrain, resulting to acquisition of 80% ownership over HHI. All non-subscribing stockholders have waived their pre-emptive rights to subscribe to the increase in capital stock.

On November 8, 2024, Hyass (FZE) assigned all of its common shares in HHI, amounting to ₱40,000,000 (400,000,000 shares at ₱0.10 par value), to HGH. As of May 21, 2025, the Parent Company has filed the relevant information update to the SEC regarding the updated ownership of HHI, secured the electronic Certificate Authorizing Registration and has updated the stock and transfer book of HHI. As of December 31, 2024, the Parent Company is 80% owned by HGH, a limited liability company registered in the Kingdom of Bahrain and 20% owned by Hyass (FZE).

On April 13, 2016, Clark Development Corporation (CDC) issued a Certificate of Registration and Permit-to-Operate to the Parent Company as a Clark Special Economic Zone (CSEZ) enterprise with no tax incentive for its office space business activity effective from May 1, 2016 to April 30, 2019.



On April 2, 2019, CDC issued a new Certificate of Registration to the Parent Company effective from May 1, 2019 to April 30, 2021. On May 12, 2021, CDC issued a new Certificate of Registration to the Parent Company effective from May 12, 2021 to April 30, 2024. On March 21, 2024, CDC issued a new Certificate of Registration to the Parent Company effective from May 1, 2024 to April 30, 2027.

The registered office address and principal place of business of the Parent Company is at Building 5399 Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga.

Subsidiaries of HHI

The Parent Company's wholly owned subsidiaries are Hann Philippines, Inc. (HPI) and Hann Development Corporation (HDC). HPI and HDC's purpose is to primarily engage and undertake the business of establishing, operating, maintaining, and/or managing tourist facilities including resorts, golf courses, hotels, sports and entertainment including but not limited to amusement centers and other forms of gaming activities not otherwise prohibited by law.

On February 20, 2024, the Board of Directors (BOD) approved the merger of HDC with HPI. Pursuant to the merger, all of the rights, privileges, immunities, franchises, assets, duties, and liabilities of HDC are hereby assigned, transferred and ceded to HPI being the Surviving Corporation, and HDC shall cease to exist. The merger took effect on October 21, 2024 upon approval by the SEC, pursuant to the Plan of Merger. The merger is a non-event transaction at consolidated financial statements.

Authorization for Issuance of the Consolidated Financial Statements

The accompanying consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as the 'the Group') as at and for the years ended December 31, 2024, 2023, and 2022 were approved and authorized for issuance by the BOD on May 21, 2025.

2. Basis of Preparation, Statement of Compliance and Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis and are presented in Philippine peso (₱), which is the Parent Company's presentation and functional currency. All values are stated in absolute amounts, unless otherwise stated.

The consolidated financial statements will be used for inclusion in an offering circular for a planned offering transaction.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024, 2023, and 2022.

The Parent Company's subsidiaries and their respective natures and status of businesses are as follows:

Hann Philippines, Inc. (HPI)

Incorporated in the Philippines on February 24, 2016 as a wholly-owned subsidiary. The primary purpose of HPI is to engage in the business of establishing, operating, maintaining, and/or managing resorts, golf courses, social athletic or country clubs, lodges, hotels, inns, sports and entertainment including but not limited to amusement centers and other forms of gaming activities not otherwise



prohibited by law, and other allied business, as well as any services and facilities incident thereto, and to lease and sublease any real and personal property deemed necessary or convenient for the conduct of its business.

On April 12, 2016 through the approval of HPI and Widus International Leisure, Inc.'s (WILI, formerly Hann International Leisure, Inc.), a related party under common majority shareholder ownership, a Deed of Accession whereby WILI granted HPI the authority to directly operate the Hann Casino for a period of five (5) years effective June 1, 2016, automatically renewable, subject to the terms and conditions mutually agreed by the parties. The Deed of Accession recognizes and includes HPI as a co-licensee and co-holder of the Provisional License (see Note 19). The Provisional License shall be converted into a Regular Casino Gaming License upon completion of certain conditions and upon approval by PAGCOR of the report detailing the actual total project cost to ensure compliance with the approved project cost based on the Project Implementation Plan.

The aggregate term of the Provisional and Regular Casino Gaming License is fifteen (15) years from effective date or until December 17, 2029, renewable subject to the same terms and conditions of the Provisional License. On July 31, 2019, PAGCOR granted the Regular Casino Gaming License to HPI, as co-Licensee of WILI, which includes entitlement to the customs duties and tax exemptions specified under the PAGCOR charter, as amended. The Gaming License shall have the same terms and conditions of the Provisional License, as applicable.

On March 23, 2023, PAGCOR's Board of Directors (BOD) approved the request of co-licensees, HPI and WILI, to remove the co-licensee status of WILI, thereby making HPI the sole entity liable with all terms and conditions of the Provisional License/Regular Casino Gaming License.

On April 19, 2023, PAGCOR's BOD acknowledged HPI's fulfillment of the \$400,000,000 minimum investment as of December 31, 2021 and approved its new Project Implementation Plan (PIP) for Phase 2, consisting of: Phase 2A – within Clark Freeport Zone, and Phase 2B – located in New Clark City, Tarlac. The cost of Phase 2 shall be the cumulative/incremental investment to reach \$1,000,000,000, upon achievement of which the term of the Provisional License/Regular Casino Gaming License may be extended until July 11, 2033.

HPI as the license holder, along with HHI as the Parent Company and HDC as its affiliate, operates Hann Casino Resort, the first integrated gaming, entertainment, leisure and hospitality resort destination in Central Luzon. As of December 31, 2024, Hann Casino Resort is comprised of (a) Hann Casino, an integrated gaming, entertainment and retail space with an aggregate gaming area of 13,656 sq. m., with fifteen restaurants and bars, one retail outlet and kiosk, and (b) two internationally-branded hotels: (i) Clark Marriott Hotel, the first five star hotel in Central Luzon with 260 rooms and suites, three restaurants, a lobby lounge, a bar and coffee outlet; and (ii) the Swissôtel Clark Philippines, the first Swissôtel hotel in the Philippines with 372 rooms and suites, five restaurants, three bars, and a lounge.

On June 27, 2022, an amendment to the Provisional License/Regular Casino Gaming License was entered into by PAGCOR and HPI. The license fee previously stipulated to be exclusive of franchise tax and special tax will now be inclusive of the franchise tax.

On January 17, 2018, HPI and PAGCOR made an addendum to the Provisional License dated December 18, 2014. The addendum requires HPI to remit 2% of gaming revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by HPI and PAGCOR. HPI has established Hann Foundation, Inc. ("HFI") for this purpose. HPI remits the 2% to HFI to manage the funds in accordance with the regulations set by PAGCOR.



On September 4, 2018, Bangko Sentral ng Pilipinas (BSP) issued a Certificate of Registration with MSB Registration No. 60-00691-0-00000 to HPI. The certificate authorizes HPI to operate as money changer (MC)/ foreign exchange dealer (FXD) with Type “F” registration in the Philippines.

In September 2018, Clark Marriott Hotel (CMH), a hotel property owned by HPI and operated by Marriott International, was opened to the public. The Hotel is the first five-star hotel in Clark Freeport Zone, Pampanga.

On December 15, 2021, HPI launched Swissotel Clark Philippines (SCP), a 22-storey five-star contemporary hotel with 372 elegant rooms and suites franchised with the Accor Group. In March 2022, SCP formally started its commercial operations.

Hann Development Corporation

Incorporated in the Philippines on October 18, 2019 as a wholly-owned subsidiary of HPI. However, on November 28, 2023, as part of the reorganization of the Parent Company and its Subsidiaries, HPI assigned 9,000,000 common shares with ₱100 par value of its subsidiary, HDC, to the Parent Company amounting to ₱900 million. The Parent Company has assessed that the acquisition of HDC constitutes a transaction under common control since all of the combining entities are controlled by the same party both before and after the business combination, and that control is not transitory. As such, the Parent Company accounted for the acquisition using the pooling of interest method wherein the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date carrying amounts.

The primary purpose of HDC is to engage in the business of establishing, operation, maintaining, and/or managing integrated and stand-alone resorts of all kinds, golf courses, social athletic or country clubs, loges, hotels, inns, sports and entertainment including but not limited to amusement centers and not otherwise prohibited by law, and other allied activities, as well as any services and facilities incident thereto, and to lease and sublease any real and personal property deemed necessary or convenient for the conduct of its business, except to engage in financial leasing nor offer propriety shares to the public.

On February 20, 2024, the Board of Directors (BOD) approved the merger of HDC with HPI. Pursuant to the merger, all of the rights, privileges, immunities, franchises, assets, duties, and liabilities of HDC are hereby assigned, transferred and ceded to HPI being the Surviving Corporation, and HDC shall cease to exist. The merger took effect on October 21, 2024 upon approval by the SEC, pursuant to the Plan of Merger.

The ownership of the Parent Company and subsidiaries over the foregoing companies in 2024, 2023, and 2022 are summarized as follows:

Investee Companies	Effective Percentages of Ownership					
	2024		2023		2022	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
HPI	100%	—	100%	—	100%	—
HDC*	—	—	100%	—	—	100%

*Absorbed entity in merger effective October 21, 2024

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Parent Company.



Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Standard Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective:

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

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

Material Accounting Policies

The material accounting policies information that have been used in the preparation of consolidated financial statements are summarized below.

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.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.



In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets as of December 31, 2024, 2023, and 2022 consist of financial assets at amortized cost. The Group has no financial assets at FVOCI and FVTPL as of December 31, 2024, 2023, and 2022.

Subsequent measurement

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the consolidated statement of income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash, trade and other receivables, amounts owed by related parties and deposits debt service reserve accounts, short-term investments, restricted cash and advances to tenants.

Derecognition

A financial asset is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

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

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are 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, discounted at an approximation of the 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.

For trade receivables, the Group applies the simplified approach in calculating ECLs. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted by forward-looking factors specific to the debtors and economic environment.



For other debt financial instruments (e.g., cash, other receivables, deposits, and amounts owed by related parties ECLs) the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

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.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

As of December 31, 2024, 2023 and 2022, the financial liabilities of the Group are classified as other financial liabilities.

Subsequent measurement

Financial liabilities at amortized cost (including interest bearing loans)

After initial recognition, these are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statement of income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

The Group's financial liabilities at amortized cost include accounts payable, accrued expenses and other payables, long-term loans, lease liabilities, and amounts owed to related parties.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Debt Issuance Costs

Debt issuance costs represent fees incurred to obtain project financing. This is included in the initial measurement of the related debt. The deferred financing costs are treated as a discount on the related debt and are amortized using the EIR method over the term of the related debt.



Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement 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 asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value (NRV) is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of gaming, and general and other supplies is the current replacement cost.

Other Current Assets

Value-added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Property and Equipment

The Group's property and equipment consist of building and improvements, machinery and equipment, gaming equipment, furniture and fixture, transportation equipment, computer equipment and operating equipment.

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property and equipment comprises its purchase price and other directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to the consolidated statement of income and expenses in the period in which 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 an additional cost of the property and equipment.

Depreciation is computed on a straight-line basis using the estimated useful lives of the property and equipment as follows:

Category	Years
Building and improvements	25
Machinery and equipment	5
Gaming equipment	5
Furniture and equipment	5
Transportation equipment	5
Computer equipment	3
Operating equipment	3



Construction in progress is stated at cost. This includes cost of construction and other direct costs such as the depreciation of right-of-use assets and borrowing costs on lease liabilities directly related to the construction in progress. Construction in progress is not depreciated until such time as the relevant assets are completed and are available for use.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected. Any gain or loss arising from the derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the property and equipment) is included in the consolidated statement of income in the year the property and equipment is derecognized.

Fully depreciated assets are maintained in the accounts until these are no longer in use.

Impairment of Nonfinancial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell, and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU 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. In determining fair value less costs to sell, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired 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 Group makes an estimate of recoverable amount. 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on systematic basis over its remaining useful life.

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.

Group as Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying asset.



- *ROU assets.* The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets on land and transportation equipment are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term of 50 years and 5 years, respectively. ROU assets are subject to impairment.
- *Lease liabilities.* At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Variable lease payments.* Variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.
- *Short-term leases and leases of low-value assets.* The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have lease terms of 12 months or less from the commencement date and those that do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. These are recognized as expense on a straight-line basis over the lease term.

Capital Stock

Capital stock is determined using the nominal value of shares that have been issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and number of shares issued.

Share Issuance Cost

Direct costs incurred related to the issuance of shares are deducted from the additional paid-in capital of the shares issued. If additional paid-in capital is not sufficient, the excess is charged against retained earnings or profit or loss.

Retained Earnings

Retained earnings represent the cumulative balance of periodic net income (loss).



Appropriated retained earnings

Appropriated retained earnings represent that portion which has been restricted, and therefore, not available for dividend declaration, but are allocated for expansion projects.

Unappropriated retained earnings

Unappropriated retained earnings represent the portion of the Group's accumulated profits and losses that must be (a) free, (b) unrestricted, (c) available to meet current operational needs, and (d) can be declared as dividends to stockholders.

Revenue from Contracts with Customers

The Group's revenue from contracts with customers primarily consist of gaming, room accommodation services, food and beverage and other operated revenue. Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Gaming revenue

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

Rooms, food and beverage, and other operated revenues

Rooms revenue recognition criteria is met at the time of occupancy. Other revenues are recognized when the food and beverage, goods or services have been transferred or rendered to the customer. The transaction prices for rooms, food and beverage, and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenue when the goods are provided, services are performed, or events are held. Service charges collected by the Group on behalf of its employees are excluded from revenues. Advance deposits on rooms are recorded as contract liability until services are provided to the customer. Revenues from contracts with multiple goods or services provided by the Group are allocated to each good or service based on its relative standalone selling price.

Contract Balances

Trade receivables

A receivable represents the Group's right to an amount if consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract. The Group's liabilities arising from contracts with customers include outstanding gaming chips, loyalty program liabilities and advance customer deposits.



Customer loyalty program

The Group has a loyalty points program which allows customers to accumulate points that can be redeemed for free hotel accommodation, food and beverage, and other services within the group. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. The Group's customer is able to use the points as a currency (i.e., currency value has been fixed and can no longer be changed by the Group). A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognized as a financial liability until the points are redeemed. The amount of points redeemed through third parties is recognized as reduction in gaming revenue.

License Fees

Pursuant to the Regular License issued by PAGCOR to HPI, the latter must remit to PAGCOR on a monthly basis, starting from the date the casino commences operations, license fees based on a fixed percentage of gross gaming revenues generated from high roller tables, non-high roller tables, electronic gaming machines, and junket tables. The license fee payable to PAGCOR is exclusive of the five percent (5%) franchise tax that is directly remitted to the Bureau of Internal Revenue. These license fees are reported under "operating costs and expenses" in the consolidated statements of comprehensive income.

Retirement Costs

The net defined benefit 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 (if any), 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 consolidated statement of income. 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 the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.



Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlements

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where borrowings are associated with specific development of qualifying assets, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Taxes

Current income tax

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

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future



Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced 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 asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits 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 in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off the current income tax assets against the current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time shall be recognized as “interest expense” in the consolidated statement of income.

Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when inflows of economic benefit are probable.

Foreign Currency Transactions

Transactions in foreign currencies are recorded in Philippine peso based on the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated at the closing rate of exchange ruling at the consolidated statement of financial position date. Exchange gains or losses arising from foreign currency denominated transactions are credited to or charged against the consolidated statement of income.

Earnings Per Share

Basic earnings is presented per share rate, calculated by dividing net income for the year by the number of shares issued and outstanding during the year.



If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively (see Note 24).

Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services within a particular economic environment subject to risks and rewards that are different from those of other segments, whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated to each of the segments and to assess their performances, and for which discrete financial information is available.

The Group currently operates in one business segment, namely, the management and operations of its gaming and hospitality resort known as Hann Casino and Resort. The chief operating decision maker monitors its operations and evaluates operating performance by reviewing the assets and operations of Hann Casino and Resorts as one operating segment. Accordingly, the Group does not have separate reportable segments.

Hann Casino and Resort has operated in one geographical area (Clark Freeport Zone, Pampanga, Philippines) for the years ended December 31, 2024, 2023 and 2022 where it derives its revenue. Segment information is presented in Note 23.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the notes when material.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes thereto. The judgments and estimates used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Identification of contracts with customers

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

Identifying performance obligations

The Group identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the



customer and the Group's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

The Group grants certain complimentary goods and services in the form of free hotel accommodation; food and beverages; and retail merchandise from outlets to incentivize future gaming. The Group determined that the complimentary incentives given to the patrons and guests are capable of being distinct and therefore considered as separate performance obligations.

Determination and allocation of the transaction price

The Group considers whether there are other promises in the contracts with customers that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effect of rebates paid through gaming promoters. As the information necessary for the Group to apply judgment and determine the consideration to which it is entitled are proprietary to the gaming promoters and are not communicated by the gaming promoters to the Group, the Group recognized the full amount paid to gaming promoters as reduction in revenue. In allocating the transaction price, the Group considers the amount at which the entity would sell or purchase the promotional merchandise or complimentary incentives separately as the stand-alone selling price of the performance obligations. For rooms, food and beverage revenues, the Group allocates to each good sold or service rendered based on its relative standalone selling price.

Determining whether the Group is acting as a principal or agent

The Group assesses its revenue arrangements against specific criteria to determine if it's acting as principal or agent. The following criteria indicate whether the Group is acting as a principal or an agent:

- The Group has the primary responsibility for providing services to the customer;
- The Group has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Group bears the customer's credit risk for the amount receivable from the customer.

The Group has concluded that generally, it is acting as a principal in its revenue arrangements. However, the Group is acting as an agent for its hotel customer loyalty program.

Estimates

The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating the IBR

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liability amounted to ₱1,883,100,592, ₱1,789,413,834 and ₱1,687,315,618 as of December 31, 2024, 2023, and 2022 (see Note 18).



Provisions for expected credit losses of receivables

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

In 2024, 2023, and 2022, the Group recognized provision for impairment losses on credit-impaired financial assets amounting to ₱2,515,366, ₱1,499,091 and ₱549,387, respectively. Carrying value of receivables amounted to ₱231,304,824, ₱264,694,064 and ₱134,341,883 as at December 31, 2024, 2023, and 2022, respectively (see Note 5).

Impairment of nonfinancial assets

The Group's nonfinancial assets pertains to its right-of-use assets and property and equipment. The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable taking into consideration the impact of coronavirus pandemic. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs. For impairment loss on specific assets, the recoverable amount represents the fair value less cost to sell.

In determining the present value of the estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that can materially affect the accompanying consolidated financial statements.

The carrying value of property and equipment amounted to ₱24,732,885,565, ₱21,371,180,552 and ₱19,310,017,335 as at December 31, 2024, 2023 and 2022, respectively (see Note 8). The carrying value of the right-of-use-asset amounted to ₱1,516,662,634, ₱1,540,684,315 and ₱1,550,539,906 as at December 31, 2024, 2023 and 2022, respectively (see Note 18). There was no provision for impairment loss recognized in 2024, 2023 and 2022.

Retirement and other retirement benefits

The determination of the obligation and cost of retirement and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 15. Expected returns that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement and other retirement obligations.



Further details about the assumptions used are provided in Note 15.

In 2024, 2023 and 2022, retirement benefit costs amounted to ₱ 22,767,145, ₱ 39,498,532 and ₱56,316,171, respectively. The Group's retirement obligation amounted to ₱121,527,508, ₱95,662,826 and ₱130,989,750 as at December 31, 2024, 2023 and 2022, respectively. Remeasurement gain (loss) on net defined benefit obligation recognized in OCI amounted to (₱3,739,499), ₱74,802,920 and (₱53,095,185) in 2024, 2023 and 2022, respectively (see Note 15).

Estimating realizability of deferred tax assets

The Group reviews the carrying amounts of deferred tax assets at each company financial position date and reduces it 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. However, there is no assurance that the Group will generate sufficient taxable income to allow all or part of its deferred tax assets to be utilized.

The Group has temporary differences amounting to ₱432,743,158, ₱333,877,182 and ₱270,244,685 as at December 31, 2024, 2023, and 2022, respectively, for which no deferred tax assets have been recognized (see Note 16).

4. Cash

	2024	2023	2022
Cash on hand	₱381,132,156	₱466,731,360	₱479,948,366
Cash in banks	1,718,716,121	1,948,517,347	1,487,718,257
	₱2,099,848,277	₱2,415,248,707	₱1,967,666,623

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from the Group's cash amounted to ₱12,003,728, ₱12,611,207, and ₱11,677,920 in 2024, 2023, and 2022 respectively.

5. Trade and Other Receivables

	2024	2023	2022
Trade:			
Hotel	₱121,356,330	₱56,537,170	₱55,996,476
Gaming	54,251,287	111,246,438	23,711,736
Rental	11,568,126	—	—
Related parties (Note 17)	8,099,562	7,950,108	—
Nontrade	36,061,231	85,650,362	54,307,630
Advances to officers and employees	562,758	1,702,093	2,405,942
Others	6,140,732	5,827,729	640,844
	238,040,026	268,913,900	137,062,628
Allowance for expected credit losses	(6,735,202)	(4,219,836)	(2,720,745)
	₱231,304,824	₱264,694,064	₱134,341,883

Hotel receivables pertain to various food, beverage, and hotel service fees receivable from hotel guests. This also includes credit card transactions which are normally collected within three (3) to seven (7) days.



Gaming receivables mainly include casino markers issued to gaming promoters and VIP premium casino patrons. Casino markers pertain to credits granted to registered casino patrons. These markers are noninterest-bearing and are normally collected within 90 days. Nontrade and other receivables are noninterest-bearing and generally have 30 to 90 days.

Rental receivables are collectible from tenants based on percentage of sales. These are non-interest bearing and with credit terms of 30 days.

Other receivables are noninterest-bearing and generally have 30 to 90 days' term.

The movement in allowance for expected credit losses on trade hotel receivables follows:

	2024	2023	2022
Beginning balances	₱4,219,836	₱2,720,745	₱2,311,358
Provision for the year	2,515,366	1,499,091	549,387
Write-off	—	—	(140,000)
Balance at end of year	₱6,735,202	₱4,219,836	₱2,720,745

6. Inventories - at cost

	2024	2023	2022
Gaming supplies	₱74,917,615	₱38,681,269	₱63,503,147
Food and beverage	39,016,267	40,053,996	36,798,620
General and other supplies	30,937,026	32,159,622	28,310,577
	₱144,870,908	₱110,894,887	₱128,612,344

The inventories charged to costs and expenses amounted to ₱556,405,846, ₱556,860,760 and ₱500,435,826, for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 14). No NRV write-down is recognized in 2024, 2023 and 2022.

7. Other Current Assets

	2024	2023	2022
Debt collateral accounts	₱668,754,720	₱617,058,273	₱382,891,127
Input VAT - current	174,375,452	123,019,875	23,938,826
Prepayments	102,170,889	77,814,163	77,619,772
Advances to contractors and suppliers	40,626,456	79,326,341	90,472,256
Short-term investments	12,624,863	11,835,411	—
Deposits	4,411,919	7,939,456	7,209,521
Others	7,956,956	2,032,275	4,970,245
	₱1,010,921,255	₱919,025,794	₱587,101,747

Debt service reserve accounts

Pursuant to the Omnibus Loan and Security Agreement, the Group is required to set up accounts to be maintained by the Debt Service Reserve Account (DSRA) and paying agent for the account of the Group as a security measure for the Lenders to ensure that the borrower will always have funds deposited for the next months of debt service (see Note 12). Interest income earned from the Group's debt service reserve accounts amounted to ₱31,212,367, ₱23,745,646 and ₱5,596,073 in 2024, 2023 and 2022, respectively.



Input VAT is offset against output VAT upon payment with government agency.

Advances to suppliers pertain to payments made in advance to various suppliers. The payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the suppliers.

Prepayments include prepaid insurance, equipment maintenance and rent which will be amortized for three (3) to twelve (12) months at the end of the financial reporting date.

Short-term investments represent treasury bills with maturity of more than three months that earn interest at the respective short-term investment rates. Treasury bills amounting to ₱12,624,863 and ₱11,835,411 as of December 31, 2024 and 2023, respectively, have maturity dates on June 4, 2025 and January 3, 2024. Amount is nil as of December 31, 2022. Interest income earned from the Group's short-term investment amounted to ₱296,321, ₱160,369, and nil for years ended December 31, 2024, 2023, and 2022, respectively.

Others include deposits that are refundable within one year.



8. Property and Equipment

As at December 31, 2024

Cost:	Building and Improvements	Machinery and Equipment	Gaming Equipment	Furniture and Equipment	Computer Equipment	Transportation Equipment	Operating Equipment	Construction in Progress	Total
Balances at beginning of year	₱15,415,374,237	₱1,145,809,214	₱1,758,092,048	₱1,744,339,763	₱647,007,973	₱25,638,789	₱441,717,125	₱5,029,704,406	₱26,207,683,555
Additions	17,361,314	102,272,597	646,224,367	79,895,249	97,073,670	39,808,929	7,591,493	4,035,585,802	5,025,813,421
Disposals	—	—	—	(58,750)	(8,445,054)	—	(580,857)	—	(9,084,661)
Balances at end of year	15,432,735,551	1,248,081,811	2,404,316,415	1,824,176,262	735,636,589	65,447,718	448,727,761	9,065,290,208	31,224,412,315
Accumulated depreciation:									
Balances at beginning of year	1,588,965,301	553,460,080	1,019,535,012	879,982,989	470,310,156	14,556,831	309,692,634	—	4,836,503,003
Depreciation	615,627,431	185,826,930	302,178,654	281,367,312	162,323,744	5,832,591	110,660,508	—	1,663,817,170
Disposals	—	—	—	(11,757)	(8,388,626)	—	(393,040)	—	(8,793,423)
Balances at end of year	2,204,592,732	739,287,010	1,321,713,666	1,161,338,544	624,245,274	20,389,422	419,960,102	—	6,491,526,750
Net book values	₱13,228,142,819	₱508,794,801	₱1,082,602,749	₱662,837,718	₱111,391,315	₱45,058,296	₱28,767,659	₱9,065,290,208	₱24,732,885,565

As at December 31, 2023

Cost:	Building and Improvements	Machinery and Equipment	Gaming Equipment	Furniture and Equipment	Computer Equipment	Transportation Equipment	Operating Equipment	Construction in Progress	Total
Balances at beginning of year	₱15,836,360,822	₱661,538,079	₱1,722,920,372	₱1,814,288,689	₱439,507,245	₱16,362,846	₱322,215,618	₱1,631,526,727	₱22,444,720,398
Additions	8,085,081	116,951,831	89,436,305	142,788,122	58,984,614	9,275,943	12,091,272	3,398,177,679	3,835,790,847
Transfers	(429,071,666)	367,319,304	—	(195,625,461)	149,967,588	—	107,410,235	—	—
Disposals	—	—	(54,264,629)	(17,111,587)	(1,451,474)	—	—	—	(72,827,690)
Balances at end of year	15,415,374,237	1,145,809,214	1,758,092,048	1,744,339,763	647,007,973	25,638,789	441,717,125	5,029,704,406	26,207,683,555
Accumulated depreciation:									
Balances at beginning of year	989,903,690	249,383,558	803,095,048	628,740,710	280,499,163	11,720,259	171,360,635	—	3,134,703,063
Depreciation	599,061,611	304,076,522	270,704,593	268,261,194	191,262,469	2,836,572	138,331,999	—	1,774,534,960
Disposals	—	—	(54,264,629)	(17,018,915)	(1,451,476)	—	—	—	(72,735,020)
Balances at end of year	1,588,965,301	553,460,080	1,019,535,012	879,982,989	470,310,156	14,556,831	309,692,634	—	4,836,503,003
Net book values	₱13,826,408,936	₱592,349,134	₱738,557,036	₱864,356,774	₱176,697,817	₱11,081,958	₱132,024,491	₱5,029,704,406	₱21,371,180,552



As at December 31, 2022

	Building and Improvements	Machinery and Equipment	Gaming Equipment	Furniture and Equipment	Computer Equipment	Transportation Equipment	Operating Equipment	Construction in Progress	Total
Cost:									
Balances at beginning of year	₱2,794,695,283	₱229,819,179	₱1,530,247,650	₱591,961,548	₱264,684,497	₱14,085,446	₱114,930,324	₱10,661,594,384	₱16,202,018,311
Additions	617,000	10,983,426	192,672,722	72,545,940	16,664,629	2,285,900	4,112,338	5,942,820,132	6,242,702,087
Transfers	13,041,048,539	420,987,762	—	1,149,520,413	158,158,119	—	203,172,956	(14,972,887,789)	—
Reclassifications	—	(252,288)	—	260,788	—	(8,500)	—	—	—
Balances at end of year	15,836,360,822	661,538,079	1,722,920,372	1,814,288,689	439,507,245	16,362,846	322,215,618	1,631,526,727	22,444,720,398
Accumulated depreciation:									
Balances at beginning of year	357,337,676	152,604,185	547,345,025	288,134,436	199,234,440	9,472,744	113,120,178	—	1,667,248,684
Depreciation	632,566,014	96,779,373	255,750,023	340,606,274	81,264,723	2,247,515	58,240,457	—	1,467,454,379
Balances at end of year	989,903,690	249,383,558	803,095,048	628,740,710	280,499,163	11,720,259	171,360,635	—	3,134,703,063
Net book values	₱14,846,457,132	₱412,154,521	₱919,825,324	₱1,185,547,979	₱159,008,082	₱4,642,587	₱150,854,983	₱1,631,526,727	₱19,310,017,335



The Group's construction-in-progress (CIP) consists of Hann Reserve Project, which started in 2023 and expected to be completed in 2026, as well as Gaming and Carpark Extension which started in 2024 and expected to be completed in 2026.

All directly attributable costs related to the Group's CIP include costs on leasehold improvement, general construction works, ROU depreciation and borrowing costs (see Note 18).

The Group's construction-in-progress and casino fixed assets were pledged as collateral for the Group's long-term loans (see Note 12).

	2024	2023	2022
Construction in progress	₱9,065,290,208	₱5,029,704,406	₱1,631,526,727
Casino fixed assets			
Building and improvements	4,224,871,820	4,505,600,975	4,851,854,896
Gaming equipment	1,082,602,749	738,557,036	919,825,324
Furniture and equipment	240,718,760	284,627,830	507,890,335
Computer equipment	55,555,948	42,461,887	45,190,860
Transportation equipment	663,255	1,741,743	3,471,644
Total assets pledged	₱14,669,702,740	₱10,602,693,877	₱7,959,759,786

Capitalized borrowing costs related to bank loans amounted to ₱401,599,939, ₱731,627,782 and ₱602,309,017 for the year ended December 31, 2024, 2023 and 2022, respectively. The interest rate used to determine the amount of borrowing costs eligible for capitalization was 7%, which is the effective interest rate of the specific borrowing.

As at December 31, 2024 and 2023, the Group had commitments of ₱17.52 billion and ₱14.69 billion, respectively, relating to the completion of Hann Reserve Project and Gaming and Carpark Extension. As of December 31, 2022, the Group had commitments of ₱1.18 billion relating to the construction of Hotel Towers 3 and 4 and casino expansion.

Supplemental Disclosure on Noncash Investing Activities

As of December 31, 2024, 2023 and 2022, the Group has non-cash investing activities pertaining to additions to property and equipment amounting to ₱609,169,211, ₱286,345,134 and ₱173,049,550, respectively, which are not yet settled as of year-end and are presented under "accounts payable".

Depreciation expense of ROU and interest expense on lease liability are capitalized as "Construction-in-progress" under the "Property and equipment" account, as follows:

	2024	2023	2022
Depreciation	₱32,394,105	₱32,040,887	₱45,296,155
Interest expense	95,816,722	90,167,607	101,489,308
	₱128,210,827	₱122,208,494	₱146,785,463

9. Other Noncurrent Assets

	2024	2023	2022
Advances to contractors	₱1,327,988,720	₱575,890,869	₱145,789,092
Restricted cash	1,076,619,839	—	—
Input VAT - noncurrent	922,135,234	358,597,827	29,307,401
Advances to tenants	74,848,779	—	—

(Forward)



	2024	2023	2022
Deferred input VAT	₱35,158,631	₱26,309,459	₱—
Rental and utility deposits	29,997,390	22,835,413	14,865,199
Performance security deposits	20,774,805	18,162,761	17,308,737
Deferred transaction cost	—	50,415,136	—
Other prepayments	—	1,187,688	—
	₱3,487,523,398	₱1,053,399,153	₱207,270,429

Advances to contractors pertain to down payments made by the Group to its contractors based on certain percentage of the contract price. The initial down payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the contractors beyond one year of reporting date.

Restricted cash pertains to the Group's escrow account for regulatory compliance as a requirement to operate. PAGCOR approved the new Project Implementation Plan for Phase 2 (PIP) of HPI (the "Licensee") in 2023, which plan consists of two (2) phases as follows: (a) Phase 2A within the Clark Freeport Zone, and (b) Phase 2B located in the New Clark City in Tarlac, development to be under HPI and any of its subsidiaries and affiliates, such as but not limited to HDC.

Pursuant to PAGCOR's approval of the of the Licensee's PIP, the Licensee is required to set-up an escrow account with a maintaining balance of \$18,249,190, equivalent to ₱1,073,052,393, with a universal bank mutually agreed with PAGCOR. All funds for the development of the resort - casino project shall pass through the escrow account and all drawdowns of funds from the escrow account must be applied or restricted only to the resort - casino project.

On June 24, 2024, the Licensee executed an Escrow Agreement with UnionBank Investment Management and Trust Corporation ("Escrow Agent") and deposited an amount equal to the required maintaining balance.

The Licensee may withdraw from the fund anytime from time to time, subject to the submission of an original duly signed written letter of instruction by the Licensee to the Escrow Agent, provided that the fund shall not be below the maintaining balance.

Upon completion of the resort - casino project, the escrow account shall be closed and funds in the escrow account shall be withdrawn by and released to HPI. Any interest accruing on the escrow account shall accrue to and pertain to the HPI and shall not be considered part of the escrow funds and may be withdrawn anytime.

On July 18, 2024, PAGCOR has approved the escrow agreement entered by the Licensee.

Trustee fees under finance charges amounted to ₱3,605,302, ₱682,000 and ₱325,591 in 2024, 2023 and 2022, respectively.

Advances to tenants relate to amounts owed by tenants for funding their leasehold improvements and fixed assets. These are non-interest bearing with payments based on percentage of sales, collectible within two (2) years.

Rental and utility deposits refer to payments made, among others, with respect to rented equipment or property or as required by utility companies as a condition for providing their services.



Performance security deposit relates to the lease agreement with Bases Conversion and Development Authority (BCDA) amounting to ₱162,000,000. Additional security deposit amounting to ₱8,100,000 was paid in 2022 in accordance with the escalation clause of original lease agreement and the revision in the covered area of the lease agreement. On December 16, 2024, BCDA had billed the Group for ₱2,116,800, which represents additional security deposit on the additional leased are (see Note 18).

	2024	2023	2022
Principal amount	₱170,100,000	₱170,100,000	₱162,000,000
Additional security deposit	2,116,800	–	8,100,000
Less discount on refundable deposits	(152,338,903)	(152,791,263)	(153,632,833)
	19,877,897	17,308,737	16,467,167
Interest income on accretion	896,908	854,024	841,570
Present value as at December 31	₱20,774,805	₱18,162,761	₱17,308,737

The difference between the face and present value of security deposit amounting to ₱152,338,903, ₱152,791,263 and ₱153,632,833 as at December 31, 2024, 2023 and 2022, respectively, were accounted for as part of the ROU assets.

Shown below is the rollforward of the unamortized discount:

	2024	2023	2022
Beginning balance	₱151,937,239	₱152,791,263	₱146,557,599
Additions	401,664	–	7,075,234
Amortization	(896,908)	(854,024)	(841,570)
Ending balance	₱151,441,995	₱151,937,239	₱152,791,263

Deferred transaction cost represents legal and documentary stamp taxes paid and attributable to the amount of undrawn borrowing facility scheduled for drawdown in the following year after the reporting date. Upon drawdown, the deferred transaction cost will be accounted for as debt issuance cost which is treated as a discount on the related debt and amortized using the EIR method over the term of the related debt.

10. Accounts Payable

	2024	2023	2022
Trade			
Third parties	₱1,113,972,485	₱1,139,337,961	₱590,817,441
Related parties (Note 17)	49,825,531	–	57,429,688
Retention payable	710,121,137	781,952,128	1,307,268,699
Interest payable	426,236,572	180,371,144	–
Statutory payables	241,981,962	239,646,427	50,469,254
Nontrade	29,895,257	44,175,286	30,194,559
	₱2,572,032,944	₱2,385,482,946	₱2,036,179,641

Trade payables are non-interest bearing and are normally settled on a 30-day terms. This includes license fees and rental due to PAGCOR and CDC.



Retention payable represents amounts withheld from payments to contractors as guaranty for any claims within an agreed period of time. These are noninterest-bearing and will be remitted to contractors within a period of one year after the end of the contract work.

Interest payable is from the Group's loan from stockholders which are due on demand.

Statutory payables represents regulatory payables to government agencies which are non-interest bearing and usually settled within one (1) year.

Nontrade payables are non-interest bearing and normally settled on a monthly basis.

11. Accrued Expenses and Other Payables

	2024	2023	2022
Accrued expenses:			
Contractors	₱802,393,016	₱894,649,290	₱1,166,131,957
Contract services	95,277,173	38,757,881	30,881,038
Rent and utilities	42,827,332	17,218,794	22,764,217
Interest	35,614,705	65,000,118	69,519,387
Equipment lease and maintenance	35,097,028	34,940,894	20,297,393
Professional fees	27,637,093	10,556,633	5,793,058
Salaries and employee benefits	15,164,205	16,685,761	17,659,799
Laundry	9,102,414	4,731,766	4,860,046
Consultancy and marketing fees	5,475,225	5,292,648	225,217,302
Management and royalty fees	4,721,424	23,092,255	14,206,370
Advertising and promotions	2,040,529	64,286	5,230,484
Communication and transportation	1,856,364	3,525,976	2,752,048
Insurance	1,268,411	542,917	117,671
License fee	—	—	85,097
Others	15,312,865	51,203,979	13,146,276
Customers' deposits	352,305,615	295,660,604	222,919,692
Outstanding chips	272,298,553	408,816,900	515,145,781
Loyalty program liabilities	81,824,709	65,069,503	75,623,857
	₱1,800,216,661	₱1,935,810,205	₱2,412,351,473

Customers' deposits pertain to initial deposits made by the customers for hotel accommodation and casino player's funds deposited over the cage cashier counter for future purchase of chips.

Outstanding chips represent unredeemed gaming chips which are the difference between total gaming chips and the actual inventory of gaming chips in custody or under the Group's control.

The Group's contract liabilities consist of customers' deposits, outstanding chips liabilities and loyalty program liabilities as of December 31, 2024, 2023, and 2022. These represent the Group's obligation to provide gaming services to the patrons for which the Group has received consideration from the patrons. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of being purchased. Customer deposits are expected to be recognized as revenue or refunded to the patrons within one year of the date the deposit was received.



The Group runs loyalty programs by which patrons earn points, primarily based on gaming activity, that may be subsequently redeemed for free play and other free goods and services. The Group defers the recognition of revenue by recording a liability equivalent to the approximate selling prices of the points earned expected to be redeemed. Upon actual redemption of the points for Group-owned goods or services, the standalone selling price is then recorded to the appropriate revenue type, which is based on the actual goods and/or services given out. The earned loyalty program points are redeemable within one year and will expire if unredeemed thereafter.

The following table summarizes the liability activity related to contracts with customers:

	Customers' deposits	Outstanding chips liabilities	Loyalty program liabilities	Total
December 31, 2024	₱352,305,615	₱272,298,553	₱81,824,709	₱706,428,877
December 31, 2023	295,660,604	408,816,900	65,069,503	769,547,007
	₱56,645,011	(₱136,518,347)	₱16,755,206	(₱63,118,130)

	Customers' deposits	Outstanding chips liabilities	Loyalty program liabilities	Total
December 31, 2023	₱295,660,604	₱408,816,900	₱65,069,503	₱769,547,007
December 31, 2022	222,919,692	515,145,781	75,623,857	813,689,330
	₱72,740,912	(₱106,328,881)	(₱10,554,354)	(₱44,142,323)

	Customers' deposits	Outstanding chips liabilities	Loyalty program liabilities	Total
December 31, 2022	₱222,919,692	₱515,145,781	₱75,623,857	₱813,689,330
December 31, 2021	189,605,808	30,147,010	67,098,420	286,851,238
	₱33,313,884	₱484,998,680	₱8,525,437	₱526,838,001

Revenues recognized from beginning balance of customers' deposits, outstanding chip liabilities and loyalty program liabilities amounted to ₱769,547,007, ₱813,689,330 and ₱286,851,238 in 2024, 2023 and 2022, respectively.

12. Loans Payable

Short-term Loans:

On May 29, 2024, UnionBank granted the Group credit facilities with an aggregate amount of ₱2,115,000,000 to support its operational liquidity needs and manage working capital requirements of the Group and are valid until May 31, 2025. The credit facilities are generally unsecured, except for the ₱1,150,000,000 line, which consists of the (a) ₱1,000,000,000 loan line that is fully secured by an escrow account managed by Union Bank Investment Management and Trust Corporation which was fully settled as of December 31, 2024; and (b) ₱150,000,000 auto fleet line that is secured by a chattel mortgage.

UnionBank extended a total of ₱4,595,000,000 non-negotiable loans to the Group for the year, at interest rates of 6% to 8.3% per annum. Interest expense on short-term loans amounted to ₱15,030,000, nil and nil in 2024, 2023 and 2022, respectively. As of December 31, 2024, 2023 and 2022 short-term loans amounted to ₱595,000,000, nil and nil, respectively.



Long-term Loans:

	2024	2023	2022
Banks			
Principal - syndicated loan facilities	₱14,090,000,015	₱10,659,681,940	₱9,500,000,000
Less unamortized debt issuance costs	247,001,285	200,269,519	116,640,487
	13,842,998,730	10,459,412,421	9,383,359,513
Loan from Stockholders	2,279,882,819	2,279,882,819	–
	16,122,881,549	12,739,295,240	9,383,359,513
Less current portion of long-term loans	1,434,069,260	1,440,159,894	1,202,647,691
Noncurrent portion of long-term loans	₱14,688,812,289	₱11,299,135,346	₱8,180,711,822

Loan from Banks

On May 17, 2019, the Group, borrower, entered into a ₱7,000,000,000 Omnibus Loan and Security Agreement (“OLSA”) with Asia United Bank (“AUB”) and Union Bank of the Philippines (“UB”) as Lenders, and Asia United Bank Corporation - Trust and Investment Group as Collateral Trustee, DSRA & Paying Agent.

The proceeds from the loan will be used to finance the Group’s ongoing expansion project which include the development and construction of the Hotel Tower 4, Retail Area, Hotel Tower 3, and Casino Expansion.

The original terms of the OLSA includes details on quarterly interest payments and annual interest repricing, principal repayment schedule, security agreements, covenants (financial covenants such as debt-to-equity ratio of 2.33 times and a debt service coverage ratio (DSCR) of at least 1.10) and establishment of Debt Service Reserve Account (DSRA) and Debt Service Payment Account (DSPA).

As at December 31, 2024, the last testing date, the Group is in compliance with these debt covenants.

In 2021, the Group has renegotiated the terms of its existing loan agreements with its lenders, the loan modifications include the following:

- Increase in principal amount of commitment with AUB to ₱7,000,000,000.
- Amendment on interest rates to be applied for each borrowing, depending on whether made (a) prior to December 31, 2020, or (b) after December 31, 2020.
- Amendment on interest rates on all outstanding advances to be repriced on each of the repricing dates, depending on whether borrowing was made (a) prior to December 31, 2020, or (b) after December 31, 2020.

Based on the Group’s assessment, the loan modifications in the contractual cash flows are not substantial and therefore do not result in derecognition of the affected financial liabilities.

On May 4, 2022, the parties agreed to increase the principal commitment amount to ₱2,500,000,000 and ₱7,500,000,000 with UB and AUB, respectively.

As of December 31, 2024, 2023 and 2022, the OLSA has been fully drawn by the Group.

On March 17, 2023, HPI entered into a 2023 OLSA amounting to ₱9,000,000,000 with AUB and UB as Lenders, and Asia United Bank Corporation - Trust and Investment Group as Collateral Trustee, DSRA and Paying Agent. Proceeds from the said loan shall be used to fund the Group’s equity infusion in HDC in order to partially finance the construction and development of the Hann Reserve Project,



repayment of outstanding bridge loans, as applicable, used to finance the Hann Reserve Project; and, for payment of transaction costs under or relating to this 2023 OLSA.

As of December 31, 2024, 2023 and 2022, drawdowns made by the Group pertaining to this OLSA amounted to ₱5,464,000,015, ₱2,409,681,940 and nil, respectively.

On November 12, 2024, the Group entered into a new OLSA (2024 OLSA) amounting to ₱6,000,000,000 with AUB and UB. Proceeds of this credit facility will be used to partially finance (a) construction of the casino expansion building, multilevel car park building, back of house and engineering rooms, and food and beverage areas, and (b) acquisition of gaming and other food and beverage equipment for Hann Casino Project. First drawdown was made on December 20, 2024 amounting to ₱1,576,000,000.

In November 2024, AUB extended to the Group a credit accommodation in the form of a term loan amounting to ₱300,000,000, payable three (3) years from initial drawdown date. Proceeds shall be for capital expenditures (e.g., construction, fit-outs, electrical works, purchase of security, IT and gaming machines, software, etc.). Amount was fully drawn on November 18, 2024 and remain outstanding as of December 31, 2024. Finance charges in 2024 amounted to ₱3,556,452.

As of December 31, 2024 and 2023, the Group has an available credit loan facility amounting to ₱9,088,697,767 and ₱6,590,318,060, respectively.

Repayments of the long-term debt follows:

Principal Amount	2024	2023	2022
Within one year	₱1,500,000,000	₱1,500,000,000	₱1,250,000,000
One year to five years	8,678,888,896	7,820,969,751	7,500,000,000
Over five years	3,911,111,119	1,338,712,189	750,000,000
	₱14,090,000,015	₱10,659,681,940	₱9,500,000,000

Capitalized borrowing costs related to bank loans in 2024, 2023, and 2022 amounted to ₱401,599,939, ₱731,627,782 and ₱602,309,017, respectively. Interest expense on long-term loans amounted to ₱662,520,226, nil and nil for the years ended December 31, 2024, 2023 and 2022, respectively. Amortization of debt issuance cost charged to profit and loss amounted to ₱57,322,498, nil and nil in 2024, 2023 and 2022, respectively.

Movement of debt issuance costs follows:

	2024	2023	2022
Beginning balance	₱200,269,519	₱116,640,487	₱64,707,299
Additions	131,626,191	134,044,169	31,616,445
Amortization during the year	(84,894,425)	(50,415,137)	20,316,743
Ending balance	₱247,001,285	₱200,269,519	₱116,640,487

Provision in the loan indicates that the borrower shall pay to the lenders, a commitment fee equivalent to a certain percentage of the undrawn or uncanceled portion of the commitment that the Group does not draw in accordance with the drawdown schedule.



Loan from Stockholders

In 2023, the Group and its stockholders executed a revolving facility and loan agreement to convert its outstanding payables into a revolving facility which may be available as a loan in its entirety. The effectivity date of the agreement is on January 1, 2023. The term of the agreement shall be 10 years and may be extended upon mutual agreements of the parties. Interest rate on loans shall be 9% per annum.

As of December 31, 2024, 2023 and 2022, loan from shareholders amounted to ₱2,279,882,819, ₱2,279,882,819 and nil respectively.

Interest expense on loans from shareholders amounted to ₱208,609,278, ₱208,039,307 and nil in 2024, 2023 and 2022, respectively.

In November 2024, a Deed of Assignment was executed between Hyass (FZE) and HGH. The deed transfers the loan receivable of Hyass (FZE) to HGH amounting to ₱951,701,167, including all accrued interest, net of withholding taxes, as of September 30, 2024 (“cut-off date”). Effective from the date of the Deed, loan from stockholders of the Group will cease to be under Hyass (FZE), and ultimately be transferred to HGH.

13. Revenues from Contracts with Customers

The table below shows the disaggregation of revenues of the Group by major sources for the years ended December 31:

	2024	2023	2022
Types of goods or services:			
Gaming	₱10,988,248,113	₱10,175,711,568	₱7,396,734,152
Rooms	891,837,300	771,755,551	564,214,435
Food and beverage	662,951,577	727,222,082	666,535,556
Other operated departments	29,304,878	18,632,298	12,088,739
Total revenue from contracts with customers	₱12,572,341,868	₱11,693,321,499	₱8,639,572,882

Performance Obligations

Information about the Group’s performance obligations are summarized below:

Gaming revenue

The performance obligation to provide gaming services is satisfied at a point in time which is upon the conclusion of the play and usually occur within a single gaming day.

Rooms, food and beverage, and other operated departments

Hotel, food and beverage, and other operating revenues are recognized when services are performed, or the retail goods are sold.

Contract Balances

	2024	2023	2022
Trade receivables (Note 5):			
Hotel	₱121,356,330	₱56,537,170	₱55,996,476
Gaming	54,251,287	111,246,438	23,711,736
Rental	11,568,126	—	—

(Forward)



	2024	2023	2022
Contract liabilities (Note 11):			
Customers' deposits	₱352,305,615	₱295,660,604	₱222,919,692
Outstanding chips liabilities	272,298,553	408,816,900	515,145,781
Loyalty program liabilities	81,824,709	65,069,503	75,623,857

Gaming receivables are noninterest-bearing and are normally collected within 90 days.

Hotel and rental receivables are noninterest-bearing and are normally collected within one month.

The Group has no contract assets as of December 31, 2024, 2023, and 2022.

14. Operating Costs and Expenses

	2024	2023	2022
License and royalty fees (Notes 18 and 19)	₱1,879,864,676	₱1,760,715,352	₱1,551,828,595
Personnel costs	1,730,932,057	1,446,591,490	1,000,571,496
Depreciation and amortization (Notes 8 and 18)	1,684,345,327	1,788,793,164	1,473,375,362
Advertising and promotions	1,232,031,149	1,098,225,585	636,225,990
Rental (Note 18)	820,878,492	768,097,086	692,412,529
Taxes and licenses	736,266,368	649,159,980	403,951,037
Cost of sales (Note 6)	556,405,846	556,860,760	500,435,826
Outside services and charges	360,573,259	268,868,034	194,848,129
Utilities	311,740,210	228,162,207	231,050,575
Operating supplies	179,825,331	102,990,166	146,529,858
Software and hardware maintenance	170,375,668	90,179,175	49,640,221
Repairs and maintenance	53,432,730	28,432,755	25,919,065
Communication and transportation	37,532,178	29,861,691	31,428,756
Provision for ECL (Note 5)	2,515,366	1,499,091	549,387
Others	229,724,715	207,020,794	235,363,522
	₱9,986,443,372	₱9,025,457,330	₱7,174,130,348

Others include donations, insurance, dues and subscription and miscellaneous expenses.

15. Retirement Obligation

The Group has an unfunded, noncontributory defined benefit retirement plan covering all its regular and full-time employees. The plan provides for retirement, separation, disability and death benefits to its regular employees. The benefits are based on the years of service and percentage of latest monthly salary.

Under the existing regulatory framework, Republic Act 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 law. The law does not require minimum funding of the plan.

The actuarial valuation as of December 31, 2024 was issued on February 18, 2025.



The following tables summarize the components of retirement obligation recognized in the consolidated statements of income, remeasurement gains/losses recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position.

Retirement expense recognized in the consolidated statements of income:

	2024	2023	2022
Current service cost	₱16,333,945	₱29,870,785	₱55,303,666
Interest expense on defined benefit obligation	6,433,200	9,627,747	1,012,505
	₱22,767,145	₱39,498,532	₱56,316,171

Remeasurements gains (losses) on defined benefit obligation (DBO) recognized in OCI:

	2024	2023	2022
Actuarial gains (losses) due to:			
Experience adjustments	(₱2,534,676)	₱20,818,733	(₱2,982,509)
Changes in financial assumptions	(1,204,823)	53,984,187	(50,112,676)
Remeasurement gains (losses) on defined benefit obligation during the year	(₱3,739,499)	₱74,802,920	(₱53,095,185)

Cumulative remeasurements gains (losses) on DBO recognized in OCI:

	2024	2023	2022
Net amount recognized in OCI, beginning	₱18,409,664	(₱56,393,256)	(₱3,298,071)
Amount recognized during the period	(3,739,499)	74,802,920	(53,095,185)
Net amount recognized in OCI, ending	₱14,670,165	₱18,409,664	(₱56,393,256)

Present value of the DBO as at December 31, 2024 and 2023 are as follows:

	2024	2023	2022
Retirement obligation at beginning of the year:	₱95,662,826	₱130,989,750	₱19,546,422
Current service cost	16,333,945	29,870,785	55,303,666
Benefits paid directly by the Group	(641,962)	—	—
Interest expense on defined benefit obligation:	6,433,200	9,627,747	1,012,505
Actual loss (gain) due to:			
Experience adjustments	2,534,676	(20,818,733)	2,982,509
Changes in demographic assumptions	1,204,823	(53,984,187)	50,112,676
Net acquired obligation due to employee transfers:	—	(22,536)	2,031,972
DBO, ending	₱121,527,508	₱95,662,826	₱130,989,750

The cost of defined benefit retirement plans as well as the present value of the retirement obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions.



The principal assumptions used in determining retirement are shown below:

	2024	2023	2022
Discount rate	6.09%	6.13%	7.35%
Future salary increase rate	5.00%	5.00%	10.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Increase (Decrease)	Effect on the retirement benefit obligation		
		2024	2023	2022
Discount rates	+1.00%	(P11,666,911)	(P9,364,013)	(P15,493,505)
	-1.00%	13,708,601	10,960,101	18,520,883
Salary increase rate	+1.00%	14,266,948	11,398,645	18,432,750
	-1.00%	(12,322,594)	(9,881,166)	(15,723,646)

Shown below is the maturity profile of the undiscounted benefit payments:

	2024	2023	2022
Less than one year	P—	P369,584	P—
One to less than five years	87,676,086	8,071,881	7,665,017
Five to less than 10 years	79,959,247	106,310,905	137,064,473
10 to less than 15 years	110,905,729	129,352,540	227,519,404
15 to less than 20 years	171,276,236	134,597,168	319,483,569
20 years and above	721,401,931	610,728,883	2,165,530,357

The average duration of the expected benefit payments at the end of the reporting period is 16.34, 16.54 years and 19.44 years in 2024, 2023, and 2022, respectively.

16. Income Taxes

The Group's provision for income tax for 2024, 2023, and 2022 pertains to the regular corporate income tax (RCIT) and minimum corporate income tax (MCIT).

Reconciliation between the provision for income tax multiplied by the statutory rate for the years ended December 31 follows:

	2024	2023	2022
Income at statutory tax rate of 5%	P90,126,917	P128,835,491	P75,934,301
Loss at statutory tax rates of 25% and 2%	(23,409,026)	(12,430,137)	(43,375,059)
Additions to (reductions in) income taxes resulting from:			
Nontaxable income subject to franchise tax	(549,444,589)	(508,785,578)	—
Nondeductible expenses	462,588,468	382,316,187	281,033,586
Movement in unrecognized deferred tax assets	24,716,494	15,908,124	39,579,901
Interest income subject to final tax	(2,716,391)	(1,902,572)	(891,986)
Nontaxable income	(390,326)	(211,054)	(356,442,672)
Expired NOLCO	—	—	4,648,054
	P1,471,547	P3,730,461	P486,125



No deferred tax assets were recognized on net-operating loss carry-over (NOLCO) amounting to ₱432,743,158, ₱333,877,182 and ₱270,244,685 as at December 31, 2024, 2023 and 2022, respectively, since management believes that it is not probable that the tax benefits will be realized in the near future.

On the other hand the components of the Group's recognized deferred liabilities are as follows:

	2024	2023	2022
<i>Deferred tax asset</i>			
Lease liabilities	(₱391,898,876)	(₱390,711,080)	₱–
<i>Deferred tax liabilities</i>			
Right of use assets	394,693,695	392,060,292	–
Unrecognized foreign exchange gains	526,508	506,711	230,516
	₱3,321,327	₱1,855,923	₱230,516

Bayanihan to Recover as One Act

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. As of December 31, 2024, the Group has incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2020	2021-2025	₱55,121,816	₱–	₱–	₱–	₱55,121,816
2021	2022-2026	19,078,138	–	–	–	19,078,138
		₱74,199,954	₱–	₱–	₱–	₱74,199,954

As of December 31, 2024, the Group has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Year/s	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2022	2023-2025	₱45,059,348	₱–	₱–	₱–	₱45,059,348
2023	2024-2026	214,617,880	–	–	–	214,617,880
2024	2025-2027	98,865,976	–	–	–	98,865,976
		₱358,543,204	₱–	₱–	₱–	₱358,543,204

HPI, a subsidiary, as a CSEZ-registered enterprise, was issued a Certificate of Registration and Tax Exemption (CORTE) on May 10, 2016 and was amended on October 1, 2018 by the CDC, which is valid until May 7, 2020. On October 28, 2019, CDC issued an amended CORTE to HPI valid until April 30, 2021. On May 18, 2021, CDC issued a new certificate which will be effective from May 3, 2021 to April 30, 2024, with the similar incentives and privileges as previous issuances. On March 21, 2024, CDC issued a new certificate which will be effective from May 1, 2024 to April 30, 2027, with the similar incentives and privileges as previous issuances.



HPI is entitled to all incentives available to a CSEZ-registered enterprise, including but not limited to the following: exemption from customs and import duties and national and internal revenue taxes on importation of capital goods, equipment, raw materials, supplies and other articles including household and personal items; and subject to compliance with Bureau of Internal Revenue (BIR) Revenue Regulations (RR) and such other laws on export requirements, exemption from all local and national taxes, including but not limited to corporate withholding income taxes and value added taxes (VAT). In lieu of paying national and local taxes, the enterprise shall pay five percent (5%) tax on gross income earned, three percent (3%) of which must be remitted to the national government, one percent (1%) to the local government units affected by CSEZ, and the remaining one percent (1%) to the development fund to be utilized for the development of the municipalities contiguous to the base area.

The amended CORTE also states that HPI was registered to act as foreign exchange dealer / money changer or to engage in the business of buying and/or selling foreign currencies on real time basis as defined under BSP Circular No. 471 dated January 24, 2005.

In October 2023, HPI opted to register as VAT taxpayer as a domestic market enterprise (DME) located inside the Economic or Freeport Zone.

On January 13, 2025, CDC issued a revised Authority to Operate to HPI pursuant to RA No. 12066, otherwise known as the Corporate Recovery and Tax Incentives for Enterprise to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Law, which will be effective from November 28, 2024 to April 30, 2027. This has restored HPI's tax incentives on VAT zero rating and exemption on local purchases and importations, respectively.



17. Related Party Disclosures

Parties are considered to be related if one party has the ability to control, directly or indirectly, 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. Related parties may be individuals or corporate entities. Key management personnel are considered related parties.

The summary of transactions and account balances with related parties is as follows:

Related Party	Nature and Terms of Transaction	Transaction Amounts		Outstanding Receivable (Payable)	
		2024	2023	2024	2023
Hyass (FZE)*	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	–	–	–	–
	(4) Interest from short-term loans; payable in cash and unsecured	–	70,754,642	–	(#775,393,336)
HGH*	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	–	–	–	–
	(4) Interest from short-term loans; payable in cash and unsecured	70,948,490	–	(775,393,336)	–
Hyass (FZE)*	(1) Reimbursements of expenses on behalf of related parties; payable in cash, non-interest bearing and on-demand	7,995,980	103,583	8,099,562	103,583
	(2) Advances to and from related parties used for working capital requirements; which are non-interest bearing, with no fixed repayment terms and are due and demandable	–	–	–	–
	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	–	–	–	–
	(4) Consultancy and marketing fees; which are unsecured, non-interest bearing and are due and demandable	–	–	–	–
WILL**	(1) Trade charges to and from related parties; which are non-interest-bearing and are due and demandable	150,992,366	141,975,818	(49,825,531)	7,810,772
	(2) Advances to and from related parties used for working capital requirements; which are non-interest bearing, with no fixed repayment terms and are due and demandable	488,648,032	32,375,305	495,019,325	32,352,769
	(3) Long-term loans; converted from payables, with 10 years term and interest bearing at 9% per annum	–	–	–	–
	(4) Monthly rental payments; which are unsecured, non-interest bearing and are due and demandable	–	104,969,195	–	–
HFI***	(1) Trade charges to and from related parties; payable in cash, non-interest bearing and on-demand	2,884	35,753	–	35,753
	(2) Advances to related parties; payable in cash, non-interest bearing and on-demand	–	–	–	–
	(4) Donation to HFI based on PAGCOR requirements; payable in cash and unsecured	–	–	–	27,062
	(2) Advances to and from related parties used for working capital requirements and reimbursement of expenses; which are non-interest bearing, with no fixed repayment terms and are due and demandable	209,624,406	79,584,603	50,640,675	40,080,483
Shareholder	(3) Long-term loans; converted from payables; with 10 years term and interest bearing at 9% per annum	–	–	(1,504,489,483)	–
	(4) Interest from long-term loans; payable in cash and unsecured	137,660,788	137,284,665	(233,703,635)	(116,691,966)

*Parent Company

**Under common control

***Corporate social responsibility arm of HPI

- (1) Included in the "Trade receivables" and "Trade payables" (Notes 5 and 10)
- (2) Included in the "Amounts owed by related parties and "Amounts owed to related parties"
- (3) Included in the "Long-term loan" (Note 12)
- (4) Included in the "Nontrade payables" (Note 10)



The Group, WILL, HFI, Hyass (FZE), HGH and officers are related parties under common majority shareholder ownership.

Compensation of Key Management Personnel

The compensation of key management personnel are as follows:

	2024	2023	2022
Salaries and other benefits	₱208,423,150	₱194,628,241	₱113,799,075
Post-employment benefits	9,271,703	14,762,744	46,835,478
	₱217,694,853	₱209,390,985	₱160,634,553

18. Contracts and Lease Agreements

International Services Agreement with Global Hospitality Licensing (GHL)

HPI has an International Services Agreement with GHL, to render international services and programs for marketing, promotional and public relations campaigns (International Marketing Fund Activities) design to increase sales or public awareness of the Hotel brand throughout the world. The group marketing fee recognized in 2024, 2023, and 2022 amounted to ₱16,822,220, ₱16,752,338 and ₱15,297,595, respectively.

Management Contract with Renaissance

HPI has a hotel management contract with Renaissance Hotels International Corporation Limited (RHICL), for the management and operation of CMH, a 260-room hotel. The Agreement shall end on December 31, 2043 (“initial term”), and will be automatically renewed for two (2) periods of five (5) fiscal years each (“renewal term”), unless either the Group or RHICL notifies the other party of its election not to renew at least one (1) year before the end of the initial term or the then-current renewal term, as applicable.

Under the provisions of the Contract, HPI shall pay management fee to RHICL for each fiscal year from September 14, 2018, which is the opening date of the Hotel.

In 2024, 2023, and 2022, base management fee incurred amounted to ₱2,803,703, ₱2,838,649 and ₱2,549,599, respectively.

License and Royalty Agreement with Marriott

HPI has a License and Royalty Agreement (LRA) with Marriott International Licensing Company B.V. (MILC), for the right to use the Marriott Trademarks. The Agreement shall also end on October 30, 2044 (“initial term”) and will be automatically renewed for two (2) successive periods of five (5) fiscal years each (“renewal term”), unless either the Group or MILC notifies the other party of its election not to renew at least one (1) year before the end of the initial term or the then-current renewal term, as applicable.

Under the provisions of this Agreement, HPI shall pay MILC the following:

- Base royalty for each fiscal year; and
- Incentive royalty equivalent to a certain percentage of the operating profit for each fiscal year.

Base and incentive royalty fees, included as management fees, amounted to ₱48,691,729, ₱51,287,641 and ₱43,493,810, for the years ended December 31, 2024, 2023, and 2022, respectively.



Franchise agreement between S&P Inc.

On July 3, 2019, HPI signed a franchise agreement with S&P Inc., also known as Accor Group (the Franchisor) to franchise SCP for its use of brand.

Under the provisions of the Agreement, the Group shall pay S&P Inc. franchise fees, which include establishment fee and franchise support fee, and system fees, which includes sales and marketing fee, reservation fees, accounting and technology services fee and loyalty program fee.

Franchise fees amounted to ₱12,716,404, ₱10,396,989 and ₱6,630,372, and system fees amounted to ₱10,707,818, ₱8,113,719 and ₱5,868,799, for the years ended December 31, 2024, 2023 and 2022 respectively.

License Agreement with The Professional Golfers' Association of America

On August 22, 2022, The Professional Golfers' Association of America (PGA) entered into an agreement with the Group, wherein PGA grants the Group to use PGA marks solely in connection with branding the facilities and programs associated with the facilities, provided that such license is limited to use solely within the territory. The term of this agreement shall be the period commencing as of August 22, 2022, and unless earlier terminated or extended pursuant to the terms hereof, continuing through and including March 31, 2030. Total license fees recognized amounted to ₱7,928,467, ₱5,444,000 and ₱2,248,400 in 2024, 2023 and 2022, respectively.

Lease Agreements

Variable Lease Agreements

Agreement between WILI and the Group

On April 10, 2016, the Group entered into an Agreement with WILI whereby WILI granted the Group the authority to directly operate the Hann Casino (formerly Widus Casino) for a period of five (5) years effective June 1, 2016, automatically renewable, subject to the terms and conditions mutually agreed by the parties. As provided in the Agreement, WILI shall deliver to the Group the existing Casino building including its existing facilities subject to the terms and conditions set forth in the Sub-lease Agreement entered into separately by both parties and as approved by CDC on May 10, 2016, all the gaming tables, furniture and fixtures, surveillance equipment, cage vaults, office furniture, equipment and paraphernalia considered essential to the operation of the Casino, as well as the inventory list of all unredeemed chips not yet converted to cash. For the purpose of implementing the turnover of facilities and equipment and liabilities pertaining to unredeemed chips, and the like, a transfer of asset and liability agreement was executed by the Group and WILI on June 1, 2016.

In addition, the Agreement provides for the following:

- a) Transfer of WILI employees to the Group which are assigned to casino operations and management;
- b) Payment of monthly lease rental to WILI as stipulated in the Sub-Lease Agreement for its use of the Casino building and payment of monthly percentage share of WILI from the Group's operating income or EBITDA;
- c) Payment to PAGCOR for all the amounts due under the Provisional License Agreement; and
- d) Lease payment to CDC, lessor, as a percentage of the casino revenues as stated in the Supplemental Agreement with WILI.

Lease to CDC amounted to ₱635,577,597, ₱590,617,607 and ₱435,580,697 in 2024, 2023, and 2022, respectively.



On January 19, 2017, the Group and WILI executed a document for the adjustments on terms and conditions of the Agreement. Both parties agreed that the Group shall only pay the following:

- a) Monthly lease rental stipulated in the Sub-Lease Agreement
- b) Monthly variable rental equal to 2.5% in gaming revenue from local market; and
- c) No other fees shall be imposed by WILI to HPI unless the same is made in writing and signed by the authorized signatories of both parties.

Total variable lease expense computed as percentage of the gaming revenue from local market amounted to nil, nil and ₱104,969,195 in 2024, 2023, and 2022, respectively.

Sub-Lease Agreement

Hann Holdings, Inc

On April 1, 2016, HHI entered into a Sub-Lease Agreement with WILI for the use of property consisting the second floor of the Building 5399 located at Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga with a total area of 17.27 square meters (sqm). which was approved by CDC. The Sub-Lease Agreement was renewed for another six (6) years commencing May 1, 2024 to April 30, 2030. Rent expense recognized in 2024, 2023, and 2022 amounted to ₱103,580, ₱103,620 and ₱103,620, respectively (Notes 13 and 23).

Hann Philippines, Inc.

On May 10, 2016, HPI entered into a Sub-Lease Agreement with WILI for the use of casino property consisting of the ground floor of the Building 5399 located at Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga with a total area of 3,500 sqm. which was approved by CDC. On August 5, 2021, the Sub-lease agreement was extended until August 31, 2030 to cover the increase in subleased area to 26,269.32 sqm. On February 24, 2022, the subleased area was reduced to 22,072.38 sqm. On January 31, 2025, amendments were made the Sub-Lease Agreement to increase the subleased area by 42,093.49 sqm. Total area leased to the casino operations has become 64,165.87 sqm.

On January 15, 2019, HPI entered into a Sub-Lease Agreement with WILI with an area of 5,447 sqm where the Clark Marriott Hotel is built. The Sub-Lease Agreement is for a period of five years commencing from September 14, 2018 up to September 13, 2023. On July 5, 2021, the sub-leased area was increased by 4,505.81 sqm with total area leased to CMH is 9,952.81 sqm; On July 20, 2023, the lease term was extended for another five years until September 13, 2028.

On August 5, 2021, HPI entered into another Sub-Lease Agreements with WILI with leased area of 4,095 sqm and 3,282.75 sqm where Swissotel Clark Philippines and Eight Avenue Mall, were built, respectively. The Sub-Lease Agreements are for a period of eight (8) years commencing from August 4, 2021 to August 3, 2030.

Variable lease expenses recognized in relation to these agreements and presented in consolidated statements of income under "Rental", amounted to ₱157,695,577, ₱150,469,107 and ₱130,531,663 in 2024, 2023, and 2022, respectively.

Hann Development Corporation

On October 30, 2019, HDC entered into a Sub-Lease Agreement with WILI for the use of property consisting the second floor of the Building 5399 located at Manuel A. Roxas Highway, Clark Freeport Zone 2023, Pampanga with a total area of 15.03 sqm. which was approved by CDC. The Sub-Lease Agreement was renewed on May 23, 2024 to cover a period of six years beginning on October 28, 2024 and ending on October 27, 2030, but as a consequence of the approval of HDC's merger with HPI effective October 21, 2024, the Sub-Lease Agreement was pre-terminated to take effect on same date.



Rent expense recognized in relation to this agreement amounted to ₱75,150, ₱90,180 and ₱90,180 for the period ended October 20, 2024, and years ended December 31, 2023, and 2022, respectively (Note 14).

Other Leases

The Group has the following lease contracts related to its land and transportation equipment:

BCDA Lease Agreement

On December 6, 2018, BCDA received from the Group, in its capacity as the lead member of the Hann Consortium composed of the Group and WILI (collectively, the “Proponent”), an unsolicited proposal in the form of a Letter of Intent and Proposed Development Plan, to lease and develop the Leased Property in the NCC into Hann Reserve Project consisting of, among others, three (3) 18-hole championship golf courses and mixed use facilities (the “Project”).

On February 20, 2019, the BCDA Board of Directors accepted the proposal of the Proponent, subject to further negotiations on the terms and conditions of the lease and development of the Project. The BCDA Board likewise approved the creation of a special Asset Disposition Program Committee for the Luxury Mountain Resort Development (ADP-Com) in accordance with the BCDA Sale and Lease Guidelines that will negotiate with the Proponent and conduct the Competitive/Swiss Challenge.

BCDA, through the ADP-Com, and the Proponent entered into a detailed negotiation on the terms and conditions of the lease and development of the Leased Property. After evaluation of the Proposal, as well as, the legal, technical and financial qualifications/capabilities of the Proponent, the ADP-Com recommended to the BCDA Board of Directors the acceptance of the Proposal subject to, among others, the condition that the said acceptance shall not confer an Original Proponent Status to the Proponent.

On May 22, 2019, the BCDA Board of Directors approved the financial terms and conditions to be set forth in the Term Sheet for the lease of the Leased Property as negotiated by the ADP-Com, the conferment of the Original Proponent status on the Proponent, as well as, the conduct of the Competitive Challenge pursuant to the BCDA Sale and Lease Guidelines and the basic bid parameters for the Competitive Challenge. Under the BCDA approved Term Sheet, the area of the Lease Property was likewise increased from four hundred (400) hectares to approximately four hundred fifty (450) hectares.

BCDA and the Proponent signed, through their duly authorized representatives, the Term Sheet on June 21, 2019 and June 25, 2019, respectively.

Likewise, on June 26, 2019, BCDA and the Proponent executed a “Certification of Successful Negotiation (With Conferment of Original Proponent Status)” and approved the publication of the “Invitation to Bid for Private Sector Entities to Submit Comparative Proposals” in newspapers of general circulation and in the BCDA website inviting the submission of comparative proposal(s) for the lease and development of the Leased Property in accordance with the BCDA Sale and Lease Guidelines.

On June 27, 2019, BCDA published in newspapers of general circulation and in the BCDA website the “Invitation to Bid for Private Sector Entities (PSEs) to Submit Comparative Proposals.”

On August 15, 2019, the deadline of Submission and Opening of Eligibility Documents and Financial Proposal for the Competitive/Swiss Challenge for the Project, there was no comparative proposal received by BCDA ADP-Com. Subject to post-qualification, the subject leased Property shall be awarded to the Hann Consortium, the Original Proponent.



After the conduct of post-qualification, on September 9, 2019, the ADP-Com recommended to the BCDA Board of Directors the award of the lease and development of the leased Property to the Hann Consortium.

Through a Notice of Award received by the Hann Consortium on October 10, 2019, BCDA awarded the right to lease and develop the Property into a Luxury Mountain Resort to the Hann Consortium (the “Winning PSE”).

Pursuant to the agreement, the Winning PSE shall not assign its right to enter into a Contract of Lease (hereafter, the “Contract”) with BCDA to an Assignee Corporation unless the following conditions are present: (i) the Winning PSE enters into a Guarantee Agreement in favor of BCDA, for and in behalf of the Assignee Corporation’s obligations and responsibilities under the Contract; (ii) the Winning PSE holds itself to be jointly and severally liable for the obligations of the Assignee Corporation, in favor of BCDA in case of default; (iii) the Assignee is a corporation duly organized under Philippine Laws and duly registered with the Securities and Exchange Commission; and (iv) the assignment to an Assignee Corporation shall be duly approved by BCDA, which approval shall not be unreasonably withheld. Such assignee Corporation shall have all the rights and obligations of the Winning PSE.

Hann Consortium has assigned its right to enter into this Contract to HDC, in accordance with the aforementioned conditions for such assignment and likewise, submitted a Guarantee Agreement in favor of and to the satisfaction of BCDA. Further, after post-qualification of the Assignee Corporation’s legal, technical and financial capacity to enter into this Contract by the ADP-Com, the assignment of the right to enter into this Contract was duly approved by the BCDA President and Chief Executive Officer.

The Group received the letter of approval dated August 2, 2019 for the Conceptual Development Plan for the 450-hectare Luxury Mountain Resort project where the BCDA Board, on July 29, 2021, approved the increase in the leased land area of Phase 1 from 115 hectares to 149 hectares in order to complete the developments under Phase 1. The increase in area will reduce the leased area in Phase 2. Early access was also granted for the 10-hectare park development to commence partial development and operation of the open space during Phase 1 development. The BCDA Board also approved the extension of one-year construction period for completion of Phase 1 development to 2025 instead of 2024.

The lease contracts include clause to enable upward revision with the rental charges on the agreed dates. The contract also provides that the Group should pay security deposits amounting to ₱162,000,000, which is refundable upon termination of the contract. Additional security deposit amounting to ₱8,100,000 was paid during 2022 in accordance with the escalation clause of original lease agreement and the revision in the covered area of the lease (see Note 9).

The term of the lease shall be for a period of fifty (50) years. Lease rental payments shall be ₱18 per sqm per annum after the rent-free period of five (5) years subject to 5% escalation every 3 years.

On May 10, 2024, BCDA approved the revised Detailed Development Plan, which is modified to increase the leased land area by 5.6 hectares. Lease rate for the additional lease is set at ₱18.90 per sqm per annum. In line with the approved additional leased land area, BCDA required the payment of advance lease rental amounting to ₱2,116,800 representing two (2) years of rent, which shall be applied and credited as payments for the 6th and 7th year of the contract, and an additional security deposit amounting to ₱2,116,800.

Remaining lease term at the date of the modification is forty-six (46) years.



The Group has accounted for the lease modification as a separate lease. As a result, the Group recognized an ROU asset of ₱12,117,367 and lease liabilities amounting to ₱10,627,647 as of December 31, 2024.

Lease agreements on Motor Vehicles

The Group acquired transportation equipment through a three (3) year non-cancellable financing agreement which are payable monthly.

The Group's obligations under these leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. Extension and termination options are normally mutually agreed by lessor and lessee.

The Group also has certain leases of office equipment with low value. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

As of December 31, 2024, 2023 and 2022, transportation equipment were acquired through a three (3) year non-cancellable financing agreement which are payable on a monthly basis amounting to ₱18,042,000, ₱39,165,000, and ₱48,923,000, respectively.

Set out below is the carrying amount of the ROU assets recognized and the movements during the period:

December 31, 2024

	Land	Transportation Equipment	Total
Cost			
Balances at beginning of year	₱1,600,813,990	₱92,328,500	₱1,693,142,490
Additions	12,117,367	16,783,214	28,900,581
Balances at end of year	1,612,931,357	109,111,714	1,722,043,071
Accumulated depreciation			
Balances at beginning of year	132,162,954	20,295,221	152,458,175
Depreciation	32,394,105	20,528,157	52,922,262
Balances at end of year	164,557,059	40,823,378	205,380,437
Net book values	₱1,448,374,298	68,288,336	₱1,516,662,634

December 31, 2023

	Land	Transportation Equipment	Total
Cost			
Balances at beginning of year	₱1,600,813,990	₱55,885,000	₱1,656,698,990
Additions	—	36,443,500	36,443,500
Balances at end of year	1,600,813,990	92,328,500	1,693,142,490
Accumulated depreciation			
Balances at beginning of year	100,122,067	6,037,017	106,159,084
Depreciation	32,040,887	14,258,204	46,299,091
Balances at end of year	132,162,954	20,295,221	152,458,175
Net book values	₱1,468,651,036	72,033,279	₱1,540,684,315



December 31, 2022

	Land	Transportation Equipment	Total
Cost			
Balances at beginning of year	₱1,265,213,312	₱6,962,000	₱1,272,175,312
Additions	—	48,923,000	48,923,000
Adjustments to right-of-use	7,075,234	—	7,075,234
Lease modifications	328,525,444	—	328,525,444
Balances at end of year	1,600,813,990	55,885,000	1,656,698,990
Accumulated depreciation			
Balances at beginning of year	54,825,912	116,034	54,941,946
Depreciation	45,296,155	5,920,983	51,217,138
Balances at end of year	100,122,067	6,037,017	106,159,084
Net book values	₱1,500,691,923	₱49,847,983	₱1,550,539,906

The rollforward analysis of lease liabilities follows:

	2024	2023	2022
As at January 1	₱1,789,413,834	₱1,687,315,618	₱1,234,497,151
Additions	30,159,366	39,165,000	39,138,400
Lease modification	—	—	328,525,444
Interest expense	100,492,861	94,022,039	103,211,407
Payments of:			
Principal portion	(32,426,380)	(27,095,406)	(16,408,506)
Interest	(4,539,089)	(3,993,417)	(1,648,278)
As at December 31	₱1,883,100,592	₱1,789,413,834	₱1,687,315,618
Less current portion	123,980,382	118,706,966	104,771,551
Noncurrent portion	₱1,759,120,210	₱1,670,706,868	₱1,582,544,067

The following are the amounts recognized in consolidated statements of income:

	2024	2023	2022
Depreciation of ROU assets	₱20,528,157	₱14,258,204	₱5,920,983
Interest expense on lease liabilities	4,676,139	3,854,432	1,722,099
Interest income from accretion of security deposit (Note 9)	(896,908)	(854,024)	(841,570)
Expenses relating to short-term leases	5,266,140	4,427,503	2,876,395
Expenses relating to leases of low- value assets	22,339,179	22,582,869	18,454,579
Variable lease payments	793,273,173	741,086,714	671,081,555
Total amount recognized in consolidated statements of income	₱845,185,880	₱785,355,698	₱699,214,041

Shown below is the maturity analysis of the undiscounted lease payments:

	2024	2023	2022
Within one year	₱25,553,811	₱27,444,942	₱15,192,555
After one year but not more than five years	314,049,377	222,292,180	120,933,913
More than five years	5,766,702,556	5,804,436,431	5,902,698,949
	₱6,106,305,744	₱6,054,173,553	₱6,038,825,417



Depreciation expense of ROU and interest expense on lease liability is capitalized as “Construction-in-progress” under the “Property and equipment” account, as follows:

	2024	2023	2022
Depreciation	₱32,394,105	₱32,040,887	₱45,296,155
Interest expense	95,816,722	90,167,607	101,489,308
	₱128,210,827	₱122,208,494	₱146,785,463

Finance Cost

Pursuant to the lease agreement with BCDA, the Group committed to invest in the detailed development plan (DDP) the total minimum investment commitment (MIC) of ₱12,000,000,000 within 10 years from the signing of the contract.

Upon signing of the Contract and to ensure the Group's faithful compliance with the approved DDP and complete compliance with the total MIC in the Project, the Group deposited five percent (5%) of the MIC.

BCDA shall return the ₱600,000,000 in cash without interest to the Group within seven (7) days upon receipt or delivery to the satisfaction of BCDA a Performance Security Bond in any of the following forms:

- Irrevocable Letter of Credit (LC) issued by a universal or commercial bank authorized by the Bangko Sentral ng Pilipinas equivalent to 5% of the total MIC;
- Unconditional Bank Guarantee of Stand-by Letter of Credit issued by a universal or commercial bank acceptable to BCDA equivalent to ten percent (10%) of the total MIC; or
- Surety Bond Callable upon demand issued by the Government Service Insurance System equivalent to thirty percent (30%) of the total MIC.

The Group availed of irrevocable LC from AUB and UB in 2019 equivalent to ₱600,000,000, or 5% of the total MIC, which is subject to commission and commitment fee of 1/8 of 1% of the LC per month for each bank, to be remitted quarterly to these banks. Finance cost from commitment fee amounted to ₱9,000,000, ₱18,000,000 and ₱18,000,000 for the years ended 2024, 2023 and 2022, respectively.

19. Grants of Authority to Develop and Operate a Casino

On April 12, 2016, PAGCOR approved the Deed of Accession entered into by HPI and WILI for the assignment of the Provisional License. The Deed of Accession recognizes and includes HPI as a co-Licensee and co-holder of the Provisional License.

On July 31, 2019, PAGCOR granted the Gaming License to HPI and WILI as co-Licensee and is entitled to the customs duties and tax exemptions specified under Title IV Section 13 of the PAGCOR charter (as amended). The Regular Casino Gaming License shall have the same terms and conditions of the Provisional License, as applicable.

On March 23, 2023, PAGCOR BOD approved the request of co-licensees, HPI & WILI, to remove the co-licensee status of WILI and making HPI the sole entity liable with all terms and conditions of the Regular Casino Gaming License.



Under the Gaming License agreement with PAGCOR, HPI has the following commitments, among others:

- License fees must be remitted on a monthly basis, starting from the date the Casino commences operations, in lieu of all taxes, based on a percentage of Gross Gaming Revenues (GGR) from: (a) high roller tables; (b) non-high roller tables; (c) electronic gaming machines; and (d) junket operation. In 2024, 2023 and 2022, total license fees recognized amounted to ₱1,784,013,073, ₱1,666,563,873 and ₱1,480,013,315, respectively.
- In addition to the above license fees, HPI is required to remit 2% of gaming revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by HPI and approved by PAGCOR. HPI remits the 2% to HFI to manage the funds in accordance to the regulations set by PAGCOR. In 2024, 2023 and 2022, total donation, net of donor's tax, recognized in compliance with PAGCOR's Gaming License amounted to ₱55,259,209, ₱56,072,349 and ₱51,756,703, respectively.
- Grounds for revocation of the license, among others, are as follows: (a) failure to comply with material provision of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) bankruptcy or insolvency; and (d) if debt-to-equity ratio is more than 70:30. As at December 31, 2024, 2023 and 2022, HPI has complied with the required debt-to-equity ratio.
- Qualifying fees, which are due from each active or registered player entering the casino and subsequently remitted to PAGCOR amounted to ₱23,711,300, ₱24,184,200 and ₱16,893,100 for the years ended December 31, 2024, 2023 and 2022, respectively.

20. Financial Risk Management and Capital Management Objectives and Policies

Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise of accounts payables, accrued expense and other payables, amounts owed to related parties, long-term loans and lease liabilities. The main purpose of these financial liabilities is to raise funds for the Group's operations and construction of the Project. The Group's principal financial assets include cash, trade and other receivables, amounts owed by related parties and deposits, which arise directly from its operations.

The main risks arising from the use of financial instruments are interest risk, foreign currency risk, credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized as follows:

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its short-term and long-term loans. The applicable interest rates on long-term loans are subject for repricing every year based on the criteria mentioned in Note 12.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before tax (through the impact on floating rate borrowings).

	Increase/ decrease in rate	Effect on Income before tax
2024	+0.31%	₱52,565,722
	-0.31%	(52,565,722)

(Forward)



	Increase/ decrease in rate	Effect on Income before tax
2023	+0.57%	₱72,434,700
	-0.57%	(72,434,700)
2022	+0.88%	₱82,292,085
	-0.88%	(82,292,085)

The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

Foreign currency risk

The Group's foreign currency risk results primarily from the foreign exchange rate movements of the Philippine peso against the U.S. Dollar. The Group resolved to mitigate this risk by taking advantage of market trends. Such trends are used to determine the proper timing of foreign currency transactions in order to realize a foreign currency gain. The following are the financial assets of the Group denominated in U.S. Dollar as at December 31:

	2024		2023		2022	
	U.S. Dollar	Philippine Peso Equivalent	U.S. Dollar	Philippine Peso Equivalent	U.S. Dollar	Philippine Peso Equivalent
<i>Financial asset:</i>						
Cash	\$2,836,468	₱164,089,674	\$682,084	₱37,766,991	\$497,414	₱27,735,805

The closing exchange rate used for the conversion was ₱57.85, ₱55.37 and ₱55.76 from U.S. Dollar to Philippine Peso as at December 31, 2024, 2023, and 2022.

The Group has no financial liabilities denominated in foreign currency.

The following table summarizes the impact on income before income tax of reasonable possible changes in the exchange rate of U.S. Dollar against Philippine Peso. The reasonable movement in exchange rate was determined using 1 year historical data.

	Increase/ decrease in basis points	Effect on Income before tax
2024	5.20%	₱8,527,204
	-5.20%	(8,527,204)
2023	+6.08%	₱2,296,882
	-6.08%	(2,296,882)
2022	+6.20%	₱1,718,707
	-6.20%	(1,718,707)

There is no other impact on the Group's equity other than those already affecting the consolidated statement of income.



Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Cash in banks

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group invests only on short-term investments with very low credit risk.

Trade receivables

The Group deals only with recognized, creditworthy third parties. It is the policy of the Group that all customers who wish to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the exposure of the Group to bad debts is not significant. The Group does not offer credit terms to third parties, without specific approval of management.

The Group has the following financial assets that are subject to the expected credit loss model:

General Approach

- *Cash in banks.* The ECL relating to the cash of the Group is minimal as these are deposited in reputable banks which have good credit rating and are considered to have lower credit risk.
- *Amounts owed by related parties and other receivables.* The Group did not recognize any allowance to receivable from counterparties based on benchmarking / use of external supplementary data. This assessment is undertaken each financial year through examination of the financial position of the related parties and the markets in which the related parties operate.
- *Deposits.* Deposits are deposited with a third party which have good credit standing and are considered to have lower credit risk, hence, probability of default is expected to be less likely.

Simplified Approach

- *Trade receivables.* The Group applied the simplified approach under PFRS 9, using a 'provision matrix', in measuring expected credit losses which uses a lifetime expected loss allowance for receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

December 31, 2024

	Current	> 30 days	> 90 days	> 90 days but > 360 days	Over 360 days	Specifically identified credit impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	
Estimated total gross carrying amount of trade receivables	₱65,992,766	₱81,574,882	₱32,775,892	₱3,387,155	₱4,809,408	₱6,735,202	₱195,275,305
ECL	₱-	₱-	₱-	₱-	₱-	₱6,735,202	₱6,735,202



December 31, 2023

	Current	> 30 days	> 90 days	> 90 days but > 360 days	Over 360 days	Specifically identified credit impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	
Estimated total gross carrying amount of trade receivables	₱124,036,213	₱24,214,839	₱16,158,092	₱4,847,056	₱2,257,680	₱4,219,836	₱175,733,716
ECL	₱—	₱—	₱—	₱—	₱—	₱4,219,836	₱4,219,836

December 31, 2022

	Current	> 30 days	> 90 days	> 90 days but > 360 days	Over 360 days	Specifically identified credit impaired	Total
ECL rate	0.00%	0.00%	0.00%	0.00%	0.00%	100%	
Estimated total gross carrying amount of trade receivables	₱19,397,110	₱39,750,609	₱16,234,412	₱124,012	₱1,481,324	₱2,720,745	₱79,708,212
ECL	₱—	₱—	₱—	₱—	₱—	₱2,720,745	₱2,720,745

Concentration of risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions, such as fluctuations in currencies or interest rates. There are no significant concentrations of credit risk in the Group.

Credit risk exposures

The carrying amounts of the assets represent the maximum credit exposure. The table below shows the gross maximum exposure to on- and off- consolidated statement of financial position credit risk exposures of the Group, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques:

	December 31, 2024	December 31, 2023	December 31, 2022
Cash*	₱1,718,716,121	₱1,948,517,347	₱1,487,718,257
Trade and other receivables			
Trade	188,540,103	171,513,880	76,987,467
Nontrade and others	42,201,963	271,478,091	54,948,474
Advances to tenants - noncurrent	74,848,779	—	—
Amounts owed by related parties	545,660,000	72,433,252	40,605,285
Deposits	202,214,190	192,935,413	184,965,199
	₱2,772,181,156	₱2,656,877,983	₱1,845,224,682

*Excluding cash on hand

Liquidity risk

The Group monitors and maintains a level of cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances, when necessary.



As part of its liquidity strategy, the Group will set aside cash to ensure that financial obligations will be met as they fall due. The Group has cash amounting to ₱2,099,848,277, ₱2,415,248,707 and ₱1,967,666,623 as of December 31, 2024, 2023 and 2022, respectively, that are available to meet the Group's liquidity needs. The Group also has debt service reserve account amounting to ₱668,754,720, ₱617,058,273 and ₱382,891,127 in 2024, 2023 and 2022, respectively.

The Group also expects to meet its working capital and capital expenditure for the next 12 months primarily from debt financing and cash flows from operations. As at December 31, 2024, the Group has undrawn borrowing facilities that may be available in the future for the operating activities amounting to ₱9,088,697,767.

The table summarizes the maturity profile of the Group's financial liabilities as at December 31 based on contractual undiscounted cash flows. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. Balances due within 6 months equal their carrying amounts, as the impact of discounting is insignificant.

As at December 31, 2024

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<i>Financial liabilities:</i>						
<i>Other financial liabilities:</i>						
Accounts payable						
Trade	₱261,118,088	₱861,850,854	₱35,938,671	₱4,890,403	₱—	₱1,163,798,016
Nontrade*	609,375,421	2,449,567	3,904,908	124,286,498	—	740,016,394
Accrued expenses and other payables	866,506,407	96,965,952	93,940,498	760,222	—	1,058,173,079
Short-term loans						
Principal	—	595,000,000	—	—	—	595,000,000
Interest	1,437,917	718,958	—	—	—	2,156,875
Long-term loans						
Principal	—	375,000,000	1,125,000,000	8,678,888,896	6,190,993,938	16,369,882,834
Interest	460,413,360	262,864,968	1,067,097,319	3,750,231,268	1,312,963,114	6,853,570,029
Lease liabilities	—	8,249,580	17,304,231	314,049,377	5,766,702,556	6,106,305,744
	₱2,198,851,193	₱2,203,099,879	₱2,343,185,627	₱12,873,106,664	₱13,270,659,608	₱32,888,902,971

*Excluding statutory payables of ₱241,981,962.

As at December 31, 2023

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<i>Financial liabilities:</i>						
<i>Other financial liabilities:</i>						
Accounts payable						
Trade	₱404,768,748	₱216,972,885	₱407,261,077	₱110,335,251	₱—	₱1,139,337,961
Nontrade*	57,547,362	5,645,967	940,730,519	2,574,710	—	1,006,498,558
Accrued expenses and other payables	21,585,476	114,612,015	1,019,343,046	10,722,661	—	1,166,263,198
Long-term loans						
Principal	—	375,000,000	1,125,000,000	7,820,969,751	3,618,595,008	12,939,564,759
Interest	—	515,810,055	486,561,396	4,015,872,098	686,565,310	5,704,808,859
Lease liabilities	—	6,881,274	20,563,668	222,292,180	5,804,436,431	6,054,173,553
	₱483,901,586	₱1,234,922,196	₱3,999,459,706	₱12,182,766,651	₱10,109,596,749	₱28,010,646,888

*Excluding statutory payables of ₱239,646,427.

As at December 31, 2022

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<i>Financial liabilities:</i>						
<i>Other financial liabilities:</i>						
Accounts payable						
Trade	₱114,859,377	₱533,387,752	₱—	₱—	₱—	₱648,247,129
Nontrade*	—	58,603,239	1,278,860,019	—	—	1,337,463,258

(Forward)



	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Accrued expenses and other payables	P–	P–	P1,598,662,143	P–	P–	P1,598,662,143
Amounts owed to related parties	2,065,259,858	–	–	–	–	2,065,259,858
Long-term loans						
Principal	–	250,000,000	1,000,000,000	7,500,000,000	750,000,000	9,500,000,000
Interest	–	134,285,659	525,926,457	4,093,017,727	867,238,126	5,620,467,969
Lease liabilities	–	3,798,139	11,394,416	120,933,913	5,902,698,949	6,038,825,417
	P2,180,119,235	P980,074,789	P4,414,843,035	P11,713,951,640	P7,519,937,075	P26,808,925,774

*Excluding statutory payables of P50,469,254.

Fair Values

The Group has determined that the carrying amounts of cash, trade and other receivables, accounts payables, accrued and other payables, amounts owed by related parties, and deposits reasonably approximate their fair values due to the relatively short-term maturity of these financial instruments. The fair values of long-term loans with variable rates that re-price annually approximate their carrying values.

Capital Management

The primary objective of the Group's capital management is to maintain healthy capital ratios to support its business, maximize stockholder value, comply with capital restrictions and requirements as imposed by regulatory bodies, including limitations on ownership over the Group's shares, requisites for actual listing and trading of additional shares, if any, and required minimum debt to base equity, excluding reserve from evaluation of property, plant and equipment, and advances from related parties.

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 issue new shares. The Group monitors capital on the basis of debt-to-equity ratio in order to comply with PAGCOR requirement and loan debt covenant (see Note 12).

The Group considers the following as capital:

	2024	2023	2022
Capital stock	P200,000,000	P30,000,000	P30,000,000
Retained earnings	10,456,926,115	8,751,630,086	6,236,862,439
	P10,656,926,115	P8,781,630,086	P6,266,862,439

No changes were made in the objectives, policies or processes for the year/period ended December 31, 2024, 2023, and 2022. The Group monitors capital on the basis of debt-to-equity ratio in order to comply with PAGCOR requirement and long-term loans covenant (see Notes 12 and 19). The Group's strategy is to maintain a sustainable debt-to-equity ratio.

21. Equity

Capital Stock

	2024		2023		2022	
	Shares	Amount	Shares	Amount	Shares	Amount
Capital Stock		P0.10 par value		P100 par value		P100 par value
Authorized	4,100,000,000	P410,000,000	1,600,000	P160,000,000	1,600,000	P160,000,000
Subscribed	2,000,000,000	200,000,000	400,000	40,000,000	400,000	40,000,000
Paid-up capital	2,000,000,000	200,000,000	300,000	30,000,000	300,000	30,000,000



Increase in authorized capital stock

On April 5, 2024, the BOD approved the increase in the authorized capital stock and change in par value of the common shares of the Parent Company, from ₱160,000,000 (consisting of 1,600,000 common shares with a par value of ₱100 per share) to ₱410,000,000 (divided into 4,100,000,000 common shares with a reduced par value of ₱0.10 per share). No bonded indebtedness has been incurred, created, or increased.

On August 30, 2024, the SEC has approved the Parent Company's application.

The total amount of increase in the authorized capital stock, considering the change in par value of the common shares, is ₱250,000,000, which consists of 2,500,000,000 shares with ₱0.10 par value per share. Out of this increase, ₱160,000,000 (1,600,000,000 shares at ₱0.10 par value) has been subscribed and fully paid for in cash by Hann Group Holdings, W.L.L. in April 2024. All non-subscribing stockholders have waived their pre-emptive rights to subscribe to the increase in capital stock.

The number of shares that had already been subscribed immediately preceding the approval of increase in authorized capital stock and adjustment to par value of common shares in August 2024 shall be adjusted from 400,000 shares (at ₱100 par value per share) to 400,000,000 shares (at ₱0.10 par value per share); hence, their total value shall remain at ₱40,000,000 after the increase in authorized capital stock with corresponding decrease in par value.

Payment for subscription receivable

In September 2024, payment for the remaining ₱ 10,000,000 subscription receivable as of December 31, 2023 was received in cash.

Retained Earnings

The retained earnings of HPI, the Parent Company's major subsidiary, amounted to ₱10,692,887,259, ₱8,908,908,592 and ₱6,334,459,979 as at December 31, 2024, 2023, and 2022, respectively. As of December 31, 2024, 2023, and 2022, appropriated retained earnings of HPI amounted to ₱10,405,000,000, ₱8,905,000,000 and ₱6,330,000,000, for the following:

- a) funding various expansion projects, such as
 - the expansion of the current property in the Clark Freeport Zone through a gaming and carpark extension (GCE). The approximated completion date is Q1 of 2026.
 - another expansion at New Clark City, Tarlac. The project, called "Hann Reserve", will open across two phases that are targeted to open fully by 2030.
 -
- b) complying with the Group's existing loan covenants and other related commitments to creditors (see Note 12).

The retained earnings of HPI is not available for dividend declaration unless declared to HHI.



22. Changes in Liabilities Arising from Financing Activities

The following table summarizes the changes in liabilities arising from financing activities in 2024 and 2023:

As at December 31, 2024

	January 1, 2024	Cash Flows	Others	December 31, 2024
Long-term loans - current	₱1,440,159,894	(₱1,500,000,000)	₱1,493,909,366	₱1,434,069,260
Long-term loans - noncurrent	11,299,135,346	4,860,397,343	(1,470,720,400)	14,688,812,289
Lease liabilities - current	118,706,966	(36,965,469)	42,238,885	123,980,382
Lease liabilities - noncurrent	1,670,706,868	—	88,413,342	1,759,120,210
Interest payable - loans	65,000,118	(1,015,963,534)	986,578,121	35,614,705
Short-term loans	—	595,000,000	—	595,000,000
Issuance of capital stock	30,000,000	170,000,000	—	200,000,000
Share issuance cost	—	(2,110,080)	2,110,080	—
Cash under DSRA allocated for loan payments	617,058,273	51,696,447	—	668,754,720
Total liabilities from financing activities	₱15,240,767,465	₱3,122,054,707	₱1,142,529,394	₱19,505,351,566

As at December 31, 2023

	January 1, 2023	Cash Flows	Others	December 31, 2023
Long-term loans - current	₱1,202,647,691	(₱1,250,000,000)	₱1,487,512,203	₱1,440,159,894
Long-term loans - noncurrent	8,180,711,822	2,275,637,771	842,785,753	11,299,135,346
Lease liabilities - current	104,771,551	(31,088,823)	45,024,238	118,706,966
Lease liabilities - noncurrent	1,582,544,067	—	88,162,801	1,670,706,868
Amounts owed to related parties	2,065,259,858	214,622,961	(2,279,882,819)	—
Interest payable - loans	69,519,387	(660,212,116)	655,692,847	65,000,118
Cash under DSRA allocated for loan payments	382,891,127	234,167,146	—	617,058,273
Total liabilities from financing activities	₱13,588,345,503	₱783,126,939	₱839,295,023	₱15,210,767,465

As at December 31, 2022

	January 1, 2022	Cash Flows	Others	December 31, 2022
Long-term loans - current	₱412,500,000	(₱531,616,445)	₱1,321,764,136	₱1,202,647,691
Long-term loans - noncurrent	7,772,792,701	1,750,000,000	(1,342,080,879)	8,180,711,822
Lease liabilities - current	85,525,178	(18,056,784)	37,303,157	104,771,551
Lease liabilities - noncurrent	1,148,971,973	—	433,572,094	1,582,544,067
Amounts owed to related parties	1,621,299,805	443,960,053	—	2,065,259,858
Interest payable - loans	—	(491,806,380)	561,325,767	69,519,387
Share issuance cost	—	(8,520,000)	8,520,000	—
Cash under DSRA allocated for loan payments	94,257,103	288,634,024	—	382,891,127
Total liabilities from financing activities	₱11,135,346,760	₱1,432,594,468	₱1,020,404,275	₱13,588,345,503

Others pertain to reclassifications, interest expense, share issuance cost charged to retained earnings and non-cash addition to lease liabilities (see Note 18).



23. Segment Information

The Group's principal operating and developmental activities are to engage in the gaming and hospitality business in the Philippines. The chief operating decision maker monitors its operations and evaluates earnings by reviewing the assets and operations of Hann Casino and Resorts as one operating segment. Upon commencement of operations of Hann Casino and Resort in 2016 and as of December 31, 2024, 2023 and 2022, the Group operates in one geographical area located in Clark Freeport Zone, Pampanga, Philippines, where it derives its revenues.

The chief operating decision maker monitors the operating results of its segment for making decisions about resource allocation and performance assessment. The Group evaluates segment performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRS and may not be comparable to similarly titled measures presented by other entities. The Group's EBITDA is computed as the Group's consolidated net income/loss before interest expense, provision for/benefit from income tax, and depreciation and amortization, net foreign exchange gains/losses and non-recurring expenses. The results of the Group's lone operating segment, Hann Casino and Resorts, for the years ended December 31, 2024, 2023, and 2022 are as follows:

	2024	2023	2022
EBITDA	₱4,372,881,506	₱4,523,475,804	₱2,970,401,981
Depreciation and amortization	(1,684,345,327)	(1,788,793,164)	(1,473,375,362)
Finance charges	(964,319,895)	(230,575,739)	(20,047,690)
Foreign exchange gain - net	41,331,186	41,756,808	24,928,420
Other expense	(56,669,814)	(27,365,601)	(12,230,245)
Provision for income tax	(1,471,547)	(3,730,461)	(486,125)
Consolidated net income	₱1,707,406,109	₱2,514,767,647	₱1,489,190,979

	2024	2023	2022
Revenue	₱12,572,341,868	₱11,693,321,499	₱8,639,572,882
Operating costs and expenses	(9,986,443,372)	(9,025,457,330)	(7,174,130,348)
Other income (expenses)			
Finance charges	(964,319,895)	(230,575,739)	(20,047,690)
Foreign exchange gain - net	41,331,186	41,756,808	24,928,420
Interest income	44,409,324	37,371,246	18,115,563
Others	1,558,545	2,081,624	1,238,277
Provision for income tax	(1,471,547)	(3,730,461)	(486,125)
Consolidated net income	₱1,707,406,109	₱2,514,767,647	₱1,489,190,979

The assets and liabilities of the Group's lone operating segment, Hann Casino and Resorts, as of December 31, 2024, 2023, and 2022 are as follows:

	2024	2023	2022
Assets:			
Segment assets	₱33,769,676,861	₱27,747,560,724	₱23,926,155,552
Deferred tax assets - net	—	—	—
Total assets	₱33,769,676,861	₱27,747,560,724	₱23,926,155,552

	2024	2023	2022
Liabilities:			
Segment liabilities	₱23,094,759,254	₱18,945,665,051	₱17,715,455,853
Deferred tax liabilities - net	3,321,327	1,855,923	230,516
Total liabilities	₱23,098,080,581	₱18,947,520,974	₱17,715,686,369



24. Basic/Diluted Earnings per Share on Net Income Attributable to Equity Holder of the Group

In 2024, the number of common shares outstanding increased as a result of change in the par value from ₱100 to ₱0.10. Thus, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

The following table presents calculation of earnings per share:

	2024	2023	2022
(a) Net income attributable to equity holders of the Parent Company	₱1,707,406,109	₱2,514,767,647	₱1,489,190,979
(b) Number of subscribed shares	2,000,000,000	400,000,000	400,000,000
Basic and diluted earnings per share (a)/(b)	₱0.85	₱6.29	₱3.72



APPENDIX 1

FULL INDUSTRY REPORT PREPARED BY THE INNOVATION GROUP



**THE
INNOVATION
GROUP**

Clark Gaming Market Assessment

Clark Freeport, the Philippines

Prepared for:

Hann Resorts

May 2025

The Innovation Group
213 W. Comstock Ave. Ste. 105
Winter Park, FL 32789

www.theinnovationgroup.com

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EXECUTIVE SUMMARY

The Innovation Group was commissioned by Hann Casino Resort (“Hann Resort” or “Client”) for an up-to-date gaming market assessment and analysis on casino gaming within the Clark, Philippines market as well as the iGaming (online gaming) market within the Philippines.

Taking into account the competitive factors and recent revenue trends in both Clark and the broader Philippine and Asian markets, The Innovation Group conducted extensive research and created models to evaluate potential gaming demand, visitation, and revenues for Clark. The market fundamentals including economics and demographics in the Philippines and Clark as well as key feeder countries in the region, recent tourism trends, competitive gaming landscape, and other market dynamics were incorporated into the study. The potential patronage includes existing gamers in local markets, current visitors to the country and the city, and gaming patrons who are induced to visit the properties in the market by the outstanding gaming facilities and exceptional guest service, including high net worth VIP players.

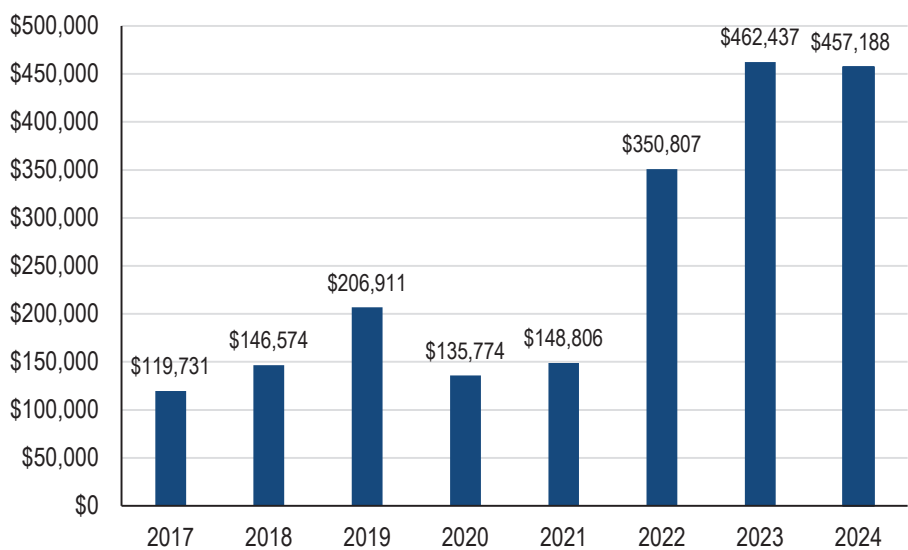
For our online assessment, The Innovation Group conducted extensive research on both the existing iGaming market in the Philippines as well as global iGaming jurisdictions and created models to evaluate potential iGaming revenue in the Philippines.

Please note, the forecasts presented herein are in US Dollars. We utilized the March 31, 2025 exchange rate (1 PHP = 0.01746 USD) to convert Philippine Peso figures to US Dollars.

Historical Market Perspective

According to data provided by the Philippine Amusement and Gaming Corporation (“PAGCOR”)—a government owned entity that operates public gaming facilities and regulates commercial licensee gaming facilities—the Clark market has experienced significant growth in recent years, increasing by a CAGR of 21.1% from 2017 to 2024, reaching nearly \$460.0 million in 2024.

Figure 1: Clark Total GGR 2017-2024 (US\$ Thousands)



Source: PAGCOR

Land-Based Forecast Methodology and Approach

Our analysis considers factors that have been derived from primary and secondary research on gamers both within and out of the major market region. Relevant models were established to evaluate potential gaming demand, visitation, and revenues, and the economic and demographic background of the region, tourism trends, competitive landscape, and other market dynamics were also incorporated into the study. Studies of gamer behavior have shown that both propensity and frequency of gaming are inversely related to travel distance to a gaming venue. As travel times increase, both the percentage of persons who gamble at that location and the number of times they visit the gaming venue decrease. This is offset, to some extent, by the tendency of a patron to spend more during a visit if they have traveled further to reach the gaming venue, all other things being equal. Gaming behavior also varies based on the availability and quality of the gaming experience. The following is a discussion of the component variables of the gaming market analysis:

- **Propensity.** Propensity measures the percentage of financially eligible adults who will participate in gaming within a given geographic unit. This varies based upon a number of factors, which include the number of gaming venues available in the region, their type and games permitted (i.e. slot clubs or full-service gaming venues with machines and table games), availability of other entertainment and leisure options, and most

importantly, distance from a gaming venue.

- **Frequency.** Frequency is a measure of the average number of times individuals with a propensity to participate in gaming within a market will actually do so during the course of a given year. Like propensity, this tends to decline with distance from the market center or venue and with the degree of competition from other entertainment options. As an example, average inner-ring frequencies range between 12 and 20 per year in mature U.S. gaming markets.
- **Win per Visit (WPV).** WPV reflects the gaming venue's average gaming win per player visit for a given market segment. WPV tends to increase in proportion to distance traveled as gamers who travel longer distances tend to make fewer trips per year with a higher budget for each trip. WPV also varies based on income level and the specific facility attributes such as the degree of overcrowding and the slot portfolio mix.

The basic formulas for calculating gamer revenue from these segments are presented below,

- ❖ Adult Population x Propensity x Frequency = Gamer Visits
- ❖ Gamer Visits x Win per Visit = Gross Gaming Revenue

Total Clark Market Land-Based Casino GGR Forecast

Utilizing the methodology summarized above to estimate the market potential for Clark, the following table summarizes the GGR for land-based casino gaming in Clark.

Table 1: Clark Casino Gaming GGR Forecast

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Local Gaming	\$180,756	\$188,983	\$191,692	\$222,012	\$207,479	\$235,624	\$213,744	\$242,740	\$218,041	\$247,619
Base Tourism	\$139,064	\$152,101	\$162,020	\$195,255	\$190,653	\$215,471	\$209,644	\$238,024	\$224,571	\$257,446
Induced Tourism	\$33,981	\$49,630	\$43,113	\$57,546	\$49,807	\$73,500	\$57,630	\$94,002	\$63,839	\$108,573
VIP	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595
Total	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

The following table summarizes The Innovation Group's forecast for the Clark market by non-high rollers (mass) and high rollers (VIP).

Table 2: Clark Casino Gaming GGR Forecast – Gamer Level

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Non-High Rollers	\$353,802	\$390,714	\$396,825	\$474,813	\$447,939	\$524,595	\$481,019	\$574,766	\$506,451	\$613,638
High Rollers	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595
Total	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

Segmenting our forecasts further, the following table displays Clark GGR segmented by non-high rollers (mass) and high rollers (VIP) table revenue as well as electronic gaming machine revenue by gamer segment. In total, we forecast revenue to be split approximately 60%/40% between table games and electronic gaming machines. This revenue mix estimate is based on the Client's historical performance as well as our observations within the market.

Table 3: Clark Casino Gaming GGR Forecast – Game Type

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Non-High Roller Tables	\$176,901	\$195,357	\$198,412	\$237,406	\$223,969	\$262,298	\$240,509	\$287,383	\$253,226	\$306,819
High Roller Tables	\$117,699	\$125,546	\$126,536	\$138,781	\$135,520	\$162,790	\$145,142	\$186,802	\$152,486	\$200,065
EGMs	\$183,095	\$201,965	\$205,072	\$244,711	\$231,102	\$270,865	\$248,148	\$297,215	\$261,251	\$317,349
Total Clark Market	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

Hann Resort Market Share

After arriving at our total market forecasts for the Clark land-based gaming market, we estimated Hann Resort's market share over our forecast period. Hann Resort is currently the premier gaming resort in the Clark market. We based our market share estimates for the property's capture of total GGR on their historical market share capture and estimated their respective penetration of each gamer segment in the market. The actual penetration in each gaming segment usually deviates from total market share in that the casino can be either more competitive or less competitive than other properties in any particular market segment because of pricing point, access, customer perception, or cultural preference among other factors. Various other factors include level of competition, capital improvement plans, or property expansions among others.

Based on data provided by the Client, in 2024 Hann Resort's total market share of total Clark land-based casino GGR was 47.3%. We note that as of March 31, 2025, Hann Resort's reported market share of the Clark land-based casino market was 48.2%. Hann Resort is expected to penetrate higher than the 2024 achieved market share in mass gaming segments 2025 and beyond— this is based on the property's superior market positioning for mass players, robust marketing efforts, and high-quality facilities and service level relative to the competition. Moreover, based on conversations with the Client, it is our understanding that less emphasis is placed on VIP gaming given the high costs associated with this gaming segment. We forecast Hann Resort's market share to increase significantly across all gamer segments in 2027 as we expect the resort's first expansion to be operational in 2026 and stabilize in 2027. Finally, we believe Hann's planned golf courses opening during our forecast period will increase induced tourism to the market as well as Hann's capture of this segment.

iGaming Globally

The global online gambling market has grown substantially, reaching US\$89.8 billion in gross gaming revenue as of 2023. The United States leads with US\$19.4 billion (21.6% of global revenue), followed by Japan at \$12.1 billion (13.5%) and the United Kingdom at US\$11.7 billion (13.0%). These top three markets account for nearly 50% of global online gambling revenue.

The top 10 online gambling nations generate 75% of worldwide revenue, with each market exceeding US\$1.8 billion in annual gross win. Notable regional concentrations include strong representation from Asia-Pacific (Japan, India, Australia) and Europe (UK, Russia, Italy, France).

Emerging markets like India (ranked 9th with US\$2.3 billion) highlight the global expansion of online gambling, while established regulatory frameworks in markets like the UK and Italy demonstrate the potential for mature, regulated markets. The remaining 25% of global revenue is distributed across all other nations, indicating significant potential for growth in developing markets.

Please note that the figures in the following tables do not include offshore online casino operators—operators domiciled and regulated in a foreign country, such as Malta, and taking wagers from countries without specific legislation forbidding such wagers. The table below represents online gaming spend that takes place within the indicated country by its own residents.

Table 4: 2023 Onshore iGaming Win by Country, Ranked

Rank	Nation	Gross Win (US\$ Billions)	% of Global Total	Cumulative % of Global Total
1	United States	19.4	21.6%	21.6%
2	Japan	12.1	13.5%	35.1%
3	United Kingdom	11.7	13.0%	48.1%
4	Australia	5.0	5.6%	53.6%
5	Italy	4.9	5.5%	59.1%
6	Russia	4.6	5.2%	64.3%
7	France	3.4	3.8%	68.1%
8	Canada	2.4	2.7%	70.8%
9	India	2.3	2.5%	73.3%
10	Sweden	1.8	2.0%	75.3%
	Rest of World	22.2	24.7%	-
	Total	89.8	-	-

Source: H2 Gambling Capital

iGaming in the Philippines

Offering iGaming has only been permitted in the Philippines since 2019. PAGCOR issued 60 Philippines Offshore Gaming Operator (“POGO”) licenses to casino operators looking to monetize gaming demand *outside* the Philippines. In July 2024, Philippines President Ferdinand Marcos Jr. announced a complete ban on Philippine POGOs with a targeted implementation by the end of 2024. The decision came following numerous incidents linking POGOs to criminal activities, including scams and violent crimes, with the high-profile case of “POGO Mayor” Alice Guo being a notable catalyst. At that time, PAGCOR was instructed to oversee the wind-down of POGO operations, with provisions made to assist displaced Filipino workers in finding new employment. Importantly, the ban specifically targeted POGOs while leaving Philippines Inland Gaming

Operators (“PIGOs”) and legitimate land-based gaming operations unaffected.¹ President Marcos Jr. accelerated the timeline of the ban in November 2024 when he issued Executive Order No. 74, imposing an immediate ban on all POGO operations.²

E-Sabong, online betting via live-streaming or broadcasting of live cockfights, was regulated by PAGCOR for a number of years prior to the May 2022 order from former President Duterte to suspend all e-Sabong operations in the country. This suspension was extended by current Philippine President, Ferdinand R. Marcos Jr, through an Executive Order signed in December 2022.

In response to the COVID-19 pandemic, PAGCOR began issuing a limited number of PIGO licenses to casinos for the purpose of offering iGaming to local Philippine gamblers. PIGO licenses were issued in 2020 and 2021 to technology provider DFNN, Okada Manila, Solaire Resort & Casino, Resorts World Manila, and City of Dreams Manila. By early 2023, PAGCOR had issued 20 PIGO licenses and, according to the regulator’s website, there are currently over 60 unique PIGO license holders.³

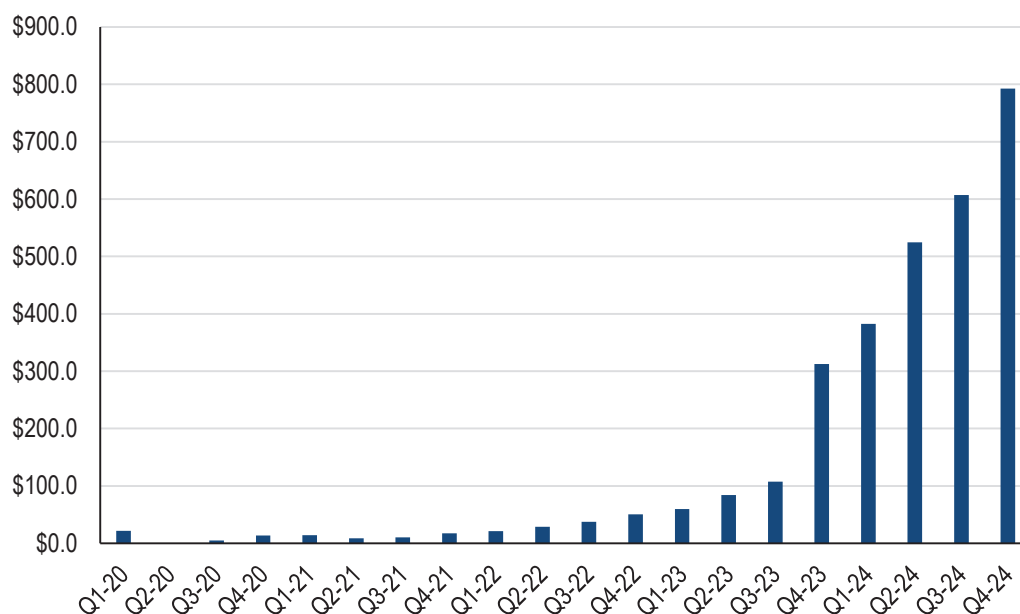
While PAGCOR reports GGR data for iGaming as “Electronic Games” revenue, it does not break out revenue by game type. At face value, the data reported by PAGCOR shows tremendous growth for online gaming. Online gaming GGR for the fourth quarter of 2024 reached nearly US\$800.0 million and over US\$2.3 billion for the full year. On an annual basis, iGaming revenue has increased by a staggering compound annual growth rate (CAGR) 174% since 2020.

¹ <https://agbrief.com/news/philippines/22/07/2024/philippines-banning-pogos-starting-from-year-end-president/>

² https://pco.gov.ph/news_releases/pbbm-orders-immediate-ban-against-all-ph-pogo-operations/

³ <https://www.pagcor.ph/regulatory/pdf/App%20Kits/List-of-PAGCOR-Accredited-Gaming-System-Administrators-and-Online-Gaming-Platforms-of-Licensed-Casinos.pdf>

Figure 2: Philippine Quarterly Online Gaming Revenue (USD Millions)



Source: PAGCOR

Analyzing trends by game type underlying this strong overall online gaming growth in the Philippines reveals that it may be driven largely by online bingo games. The success of DigiPlus' (which is licensed as AB Leisure Equipment) Bingo Plus platform has been widely publicized. The company reported 2024 revenue at over US\$1.3 billion. Assuming this is all online revenue, DigiPlus accounted for over 55.0% of the entire Philippines online market.

Again, while GGR figures for eCasino and other casino-related online games are not publicly available, The Innovation Group's channel checks suggest that GGR-levels are significantly less than those achieved by online bingo products.

iGaming Market Forecast

To project iGaming revenue in the Philippines, we conducted a comparative analysis using New Jersey as our primary benchmark, as it represents the most developed iGaming market in a jurisdiction with substantial brick-and-mortar casino operations. New Jersey's combined iGaming and online sports betting revenue demonstrated remarkable growth, increasing from approximately US\$483.1 million in 2019 to US\$1.9 billion in 2023. This growth translates to an increase in revenue per adult from roughly US\$134 to US\$253, based on New Jersey's adult population of approximately 7.3 million. However, it's important to note that New Jersey's online gaming market is showing signs of maturation, and we anticipate more moderate growth rates in the coming years.

To estimate the market opportunity for iGaming and online sports betting in the Philippines, we look at New Jersey's market and adjust win per adult by the difference in GDP per capita as well

as average annual household incomes. Using these adjustment factors, we estimate total GGR for a mature iGaming market in the Philippines to be between US\$438.9 million and US\$1.1 billion. We note that this estimate assumes open play within the market, successful repatriation of Philippine citizen offshore iGaming to PIGO operators, and successful mitigation of illegal online gaming operators.

Table 5: Philippines iGaming Forecast

US GDP Per Capita 2023	\$82,769
Philippines GDP Per Capita 2023	\$3,805
GDP Per Capita - Multiplier	0.046
US AAHHI 2023	\$107,008
Philippines AAHHI 2023	\$6,358
AAHHI - Multiplier	0.059
iGaming	
NJ Approx Win Per Adult 2019	\$133.66
NJ Approx Win Per Adult 2023	\$253.16
Range of Philippines Win Per Adult	US\$6.13 - US\$15.04
Approximate Philippines Adult Population	71.6 million
Total Range of Philippines iGaming Revenue	US\$438.9m - US\$1.1B

Source: The Innovation Group

Given Hann's potential online partnership it's potential ability to convert land-based gamers at its resort to online gamers, we believe there is potential for the operator to capture greater than its fair share of relevant online gaming revenue.

Impact of iGaming on Hann's Land-Based Gaming

While analysis of US markets suggests an average 11.2% cannibalization effect from iGaming on land-based casino revenues, several key factors indicate that the impact on destination properties in the Philippines would likely be substantially lower.

First, the US data is more heavily weighted toward regional casino markets with properties that primarily serve local customers within a 1–2-hour drive time. States like Pennsylvania and Michigan, feature a variety of smaller properties that compete directly with the convenience of online gaming. By contrast, we would expect Hann to typically draw from a more distinct customer base and offer a comprehensive entertainment experience beyond gaming alone, making them less susceptible to direct substitution from online alternatives.

Second, the demographic and behavioral profile of iGaming customers differs significantly from destination resort patrons. Online players tend to be younger, more tech-savvy, and primarily motivated by gaming itself, while integrated resort visitors are often seeking a complete

entertainment experience including high-end dining, shows, retail, and other amenities that cannot be replicated online.

Third, geographic and infrastructural factors in the Philippines create natural segmentation between online and land-based markets. With greater average travel times to casino properties and varying levels of infrastructure across regions, there is likely to be less direct competition between online and physical channels compared to the connected US markets where substitution effects are more pronounced.

Moreover, US states with the highest cannibalization rates often feature saturated regional gaming markets where multiple properties compete for the same customer base. The introduction of online gaming in these markets can significantly impact smaller properties that rely heavily on convenience gamblers. The more concentrated nature of the Philippines market, with fewer but larger destination properties, suggests greater resilience to online competition.

INTRODUCTION

The Innovation Group was commissioned by Hann Casino Resort (“Hann Resort” or “Client”) for an up-to-date gaming market assessment and analysis on casino gaming within the Clark, Philippines market as well as the iGaming (online gaming) market within the Philippines.

Taking into account the competitive factors and recent revenue trends in both Clark and the broader Philippine and Asian markets, The Innovation Group conducted extensive research and created models to evaluate potential gaming demand, visitation, and revenues for Clark. The market fundamentals including economics and demographics in the Philippines and Clark as well as key feeder countries in the region, recent tourism trends, competitive gaming landscape, and other market dynamics were incorporated into the study. The potential patronage includes existing gamers in local markets, current visitors to the country and the city, and gaming patrons who are induced to visit the properties in the market by the outstanding gaming facilities and exceptional guest service, including high net worth VIP players.

For our online assessment, The Innovation Group conducted extensive research on both the existing iGaming market in the Philippines as well as global iGaming jurisdictions and created models to evaluate potential iGaming revenue in the Philippines.

This report begins with an economic and demographic review of both the Philippines and its key feeder markets for gaming. This is followed by a summary of tourism trends in the country and Clark and a detailed review of the broader Asian gaming market. We then detail the casino gaming landscape in the Philippines and Clark, specifically. Next, we provide our forecasts for casino gaming in Clark—this includes EGMs. Finally, we present our iGaming market analysis.

Please note, the forecasts presented herein are in US Dollars. We utilized the March 31, 2025 exchange rate (1 PHP = 0.01746 USD) to convert Philippine Peso figures to US Dollars.

HANN RESORT OVERVIEW

Existing Development

Hann Casino Resort is the first fully integrated resort located in Clark Freeport, Zone, Angeles City Pampanga in the Philippines. The property is located approximately 90 minutes from Manila and less than 10 minutes from Clark International Airport. Key offerings currently include the following components:

- Casino:
 - 118 VIP table games
 - 122 mass market table games
 - 1,162 slot machines
 - 72 ETGs
 - Two VIP clubs for local and foreign members
- Hotels – 864 total rooms
 - Clark Marriott (260 rooms)
 - Swissotel Clark (372 rooms)
 - Other hotels in the property (233 rooms)
- Food & Beverage Outlets – 18 restaurants, bars and cafes (3,380 total seats)
- Meeting Space/Entertainment – Approximately 2,819 square meters across all three hotel offerings
- Swimming Pools – 4
- Parking Stalls – 930
- Retail – over 3,500 square meters
- Spa

Proposed Expansions

Hann Resorts is currently in the process of expanding the existing property through a Gaming and Carpark Extension (“GCE”). A detailed summary of the proposed expansion is provided below:

- Gaming
 - 584 slot machines
 - 62 table games
- Food & Beverage – four outlets (257 total seats)
- Parking Stalls – 334
- Retail Strip

A portion of this expansion is expected to be completed in Q4 2025 with the remaining components expected to be operational by Q1 2026.

In addition to the expansion detailed, the company is also planning another expansion at the existing Hann Resort. The Client is calling this expansion Branded Residences and Casino (“BRC”). The expansion will open across two phases, with the first phase’s target opening date of

Q3 2028 and the second phase's target opening date of Q2 2029. The expansion will include the following components:

- Two Residential Towers
 - 1,363 total keys
- Gaming
 - 1,254 slot machines
 - 80 table games
- Multiple food and beverage outlets
- Meeting space total 3,247 square meters with pre-function space
- Spa, pool, and other amenities

Proposed New Development

Hann Resorts is also currently developing Hann Reserve, an adjacent 455.6-hectare luxury project, which will be the largest master-planned development in Clark upon its completion. The project will include three 18-hole championship golf courses designed by Nicklaus Design, KJ Choi and Sir Nick Faldo, along with the only Professional Golfers Association (“PGA”)-affiliated player development facilities in the country. These amenities will be complemented by luxury villas and residential towers and villas. A summary of the entire Hann Reserve development project is provided below.

Table 6: Hann Reserve Development Plan

Phase	Component	Target Opening Date
Phase 1	Club House	Q4 2025
	Nicklaus Golf Course	Q4 2025
	Luxury Villas	Q3 2027
	KJ Choi Golf Course	Q4 2027
	Residences	2027
Phase 2	International School	2028
	Valley Township	2029
	Commercial Areas	
	Faldo Golf Course	
	Golf Residences	2030
	River Haven	

Source: Client Provided Data

Golf as a Differentiator

As part of the new development and expansion on the adjacent 455.6-hectare Hann Reserve, Hann Resorts is seeking to develop golf as a significant differentiator with respect to other integrated resorts in the region. The current plan calls for three signature design golf courses, golf residences, state of the art main clubhouse, and supporting amenities including:

- 18-hole Nicklaus Golf Course (Q4 2025)
- 18-hole KJ Choi Golf Course (Q4 2027)
- 18-hole Faldo Golf Course (2030)

Some premier casino/non-casino destinations with top tier golf in the Asian region currently include:

- Macao Golf & Country Club (Macao)
- Clark Freeport Zone Golf Club (Philippines)
- Davao Aguinaldo Golf & Country Club (Philippines)
- Hoiana Shores Golf Club (Vietnam)
- Danang Golf Club: Greg Norman-designed course (Vietnam)
- Laguna Lang Co Golf Club: Nick Faldo Design (Vietnam)
- Montgomerie Links; Colin Montgomerie Design (Vietnam)

While Clark has yet to introduce a premier golf course, its cluster of four courses and clubs, offering a total 108 holes is known throughout the Asian region to be popular among golfers. The current clubs and courses in Clark include the Mimosa Golf and Country Club, Fontana Apollon Korea Country Club, Clark Sun Valley Golf and Country Club, and the Air Force City Golf Course. Green Fees at these courses and clubs range from a low of Php 650 (~US\$11) for a weekday round at the Air Force City Golf Course to a high of Php 7,000 (~US\$120) for a 36-hole weekend round at Clark Sun Valley Golf and Country Club. These courses along with other non-golf amenities have built Clark's reputation as an attractive destination for Asian golfers.

Table 7: Clark Existing Golf Course Overview

Course/Club	Mimosa Golf and Country Club	Fontana Apollon Korea Country Club	Clark Sun Valley Golf and Country Club	Air Force City Golf Course
Number of Courses	2	1	2	1
Total Number of Holes	36	18	36	18
Total Par	144	72	144	72
Total Course Yardage	13,348	6,566	14,142	6,074
Green Fees	~\$24.48 - \$108.80	~\$34.00 - \$68.00	~\$45.90 - \$120.00	~\$11.05 - \$14.45
Course Designer	Nelson & Haworth	Local Designer (Unnamed)	N/A	N/A

Source: Various Websites, Client Provided Data

The proposed development of the three golf courses on Hann Reserve would truly be a unique, best-in-class offering in the Philippines as well as the region and cement Clark as a top destination for golfers in the region. The clustering of three signature golf courses permits the Hann Resorts to market to the region (as well as to other international visitors) an offering that cannot be duplicated. We believe that both current and future visitors to Hann Resorts would find these offerings formidable and could positively impact their choice to visit Hann Resorts versus a competitor. Moreover, the planned golf offering at Hann Reserve aligns with the Philippine Government's plan to position the country as "the next premier destination for golfers." In 2023, the Department of Tourism announced plans to develop golf tourism in the Philippines, this includes exploring incentives for the development of golf courses with the Department of Finance.⁴

When completed, Hann Reserve will become the first integrated casino resort with golf courses in the Philippines. As detailed in our Gaming Market Analysis later in this report, we believe that these new golf offerings will contribute to an increase in gross gaming revenue (given the volume and clustering of the three golf courses), primarily in the form of incremental premium mass, or induced tourist, visits.

⁴ <https://www.pna.gov.ph/articles/1214497>

ECONOMIC AND DEMOGRAPHIC REVIEW

A region’s economic health and growth potential are indicative of its ability to grow and support the gaming and IR markets. In this section, the specific economic and demographic characteristics of the market area that will affect future demand are analyzed in order to evaluate the area’s ability to support Clark.

While Clark located in the Philippines, our analysis will also focus on the key feeder countries such as Korea, China, Japan, and Taiwan, as these countries represent top sources of inbound tourists for casinos in the Philippines and contribute to a significant portion of gross gaming revenue (GGR) within the Philippines.

The Philippines

The analysis will evaluate the domestic potential to draw new sources of gaming demand, as well as to continue its support of existing gaming developments in the country. It is noted that while we present information regarding the local population, we recognize that the local market segment accounts for a relatively small portion of the overall gaming demand for Clark. Economic and demographic information for the Philippines is published by the Philippine Statistics Authority, and the majority of data is collected and categorized on the regional level.

Population

Officially known as the Republic of the Philippines, this island country consists of 7,640 islands that are categorized under three geographical divisions from north to south: Luzon, Visayas, and Mindanao. According to World Bank data, the Philippines total population is around 114.9 million, increasing by a compound annual growth rate (CAGR) of approximately 1.1% from 2018 to 2023.

Table 8: Total Philippine Population

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Total Population (000's)	108,569	110,381	112,191	113,880	115,559	114,891	1.1%

Source: World Bank

Population by region is available through 2020, as summarized in the table below.

Table 9: Philippine Population by Region (000's)

	2010	2015	2020	% Of 2020 Total	CAGR 2015-2020
National Capital Region (Metro Manila)	11,856	12,877	13,484	12.4%	0.9%
Cordillera Administrative Region	1,648	1,722	1,798	1.6%	0.9%
Ilocos	5,070	5,026	5,301	4.9%	1.1%
Cagayan Valley	3,395	3,451	3,686	3.4%	1.3%
Central Luzon	9,902	11,218	12,422	11.4%	2.1%
Calabarzon	11,249	14,415	16,195	14.9%	2.4%
Mimaropa Region	2,775	2,963	3,229	3.0%	1.7%
Bicol	5,656	5,797	6,082	5.6%	1.0%
Western Visayas	4,400	7,536	7,955	7.3%	1.1%
Central Visayas	5,524	7,397	8,082	7.4%	1.8%
Eastern Visayas	4,357	4,440	4,547	4.2%	0.5%
Zamboanga Peninsula	3,417	3,630	3,876	3.6%	1.3%
Northern Mindanao	4,231	4,689	5,023	4.6%	1.4%
Davao Region	4,437	4,893	5,244	4.8%	1.4%
Soccsksargen	3,889	4,545	4,901	4.5%	1.5%
Autonomous Region in Muslim Mindanao	3,383	3,781	4,404	4.0%	3.1%
Caraga	2,529	2,597	2,805	2.6%	1.6%
Total	92,338	100,981	109,035		1.5%

Source: Philippine Statistics Authority; *The Negros Island Region (NIR) was abolished through Executive Order No. 38 "Revoking Executive Order No. 183 (s. 2015) which Created a Negros Island Region and for Other Purposes", signed by President Rodrigo Roa Duterte on 07 August 2017. The abolition of NIR reverted the provinces, cities, municipalities, and barangays of Negros Occidental and City of Bacolod to Region VI (Western Visayas) and Negros Oriental to Region VII (Central Visayas); The Innovation Group

According to the Philippines Statistics Authority, there were nearly 80,000 foreign citizens living in the Philippines as of the 2020 census. The following table displays the top ten countries of foreign citizenship in the Philippines.

Table 10: Philippine Foreign Citizenship Population

Country of Foreign Citizenship	2020 Population
China	22,494
India	18,959
United States of America	6,306
Japan	4,397
Korea	4,372
Germany	1,533
Australia	1,460
Taiwan	1,021
Indonesia	955
Vietnam	944
Other	15,955
Total	78,396

Source: Philippines Statistics Authority

Please note, our gaming market analysis considers these foreign citizens in our revenue forecast.

Economy

The Philippine economy has been growing consistently for decades. It is estimated to be the world's 35th largest economy by nominal gross domestic product (GDP), and the 14th largest economy in Asia, per IMF 2023 statistics. The Philippines is grouped under a second tier for emerging markets, or newly industrialized countries. Much of the industrial sector is based on processing and assembly operations of electronics, usually from foreign multinational companies. Primary exports include semiconductors and electronic products, transport equipment, garments, copper products, and petroleum products. The Philippine economy weathered the 2008-2009 global recession better than its neighboring peers due to its lower dependence on exports.

As shown in the following table, the gross regional domestic product (GRDP) of the Philippines grew by a CAGR of 4.3% from 2015-2023. The GRDP has recovered from the pandemic and has since surpassed pre-pandemic levels.

Table 11: Philippine Gross Regional Domestic Product

(000's)	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR 2015- 2023
National Capital Region	\$98,274	\$105,365	\$111,255	\$117,452	\$125,728	\$113,119	\$118,082	\$126,565	\$132,802	3.8%
Cordillera Administrative Region	\$5,242	\$5,387	\$5,894	\$6,227	\$6,499	\$5,835	\$6,277	\$6,821	\$7,294	4.2%
Ilocos	\$9,818	\$10,613	\$11,205	\$11,869	\$12,733	\$11,754	\$12,294	\$13,228	\$14,170	4.7%
Cagayan Valley	\$6,580	\$6,899	\$7,439	\$7,778	\$8,313	\$7,496	\$7,877	\$8,508	\$9,031	4.0%
Central Luzon	\$32,707	\$35,301	\$38,970	\$41,660	\$44,112	\$38,002	\$40,828	\$44,138	\$46,832	4.6%
Calabarzon	\$44,366	\$47,406	\$51,059	\$54,681	\$57,198	\$51,196	\$55,125	\$59,448	\$62,524	4.4%
Mimaropa Region	\$6,180	\$6,488	\$6,898	\$7,489	\$7,813	\$7,227	\$7,468	\$7,938	\$8,311	3.8%
Bicol	\$8,724	\$9,349	\$9,865	\$10,545	\$11,412	\$10,459	\$10,912	\$11,791	\$12,329	4.4%
Western Visayas	\$14,453	\$15,312	\$16,580	\$17,374	\$18,461	\$16,672	\$17,657	\$19,291	\$20,690	4.6%
Central Visayas	\$19,363	\$20,799	\$22,276	\$23,855	\$25,333	\$22,925	\$24,159	\$26,004	\$27,900	4.7%
Eastern Visayas	\$7,124	\$8,140	\$8,388	\$8,977	\$9,480	\$8,782	\$9,314	\$9,945	\$10,576	5.1%
Zamboanga Peninsula	\$6,652	\$6,989	\$7,207	\$7,664	\$8,017	\$7,601	\$8,037	\$8,641	\$9,036	3.9%
Northern Mindanao	\$13,541	\$14,611	\$15,482	\$16,587	\$17,522	\$16,593	\$17,631	\$18,893	\$19,892	4.9%
Davao Region	\$13,342	\$14,575	\$15,858	\$16,997	\$18,198	\$16,831	\$17,820	\$19,272	\$20,568	5.6%
Soccsksargen	\$7,619	\$7,960	\$8,584	\$9,177	\$9,494	\$9,075	\$9,545	\$10,174	\$10,528	4.1%
Caraga	\$4,956	\$5,263	\$5,581	\$5,869	\$6,186	\$5,757	\$6,175	\$6,542	\$6,861	4.1%
Autonomous Region in Muslim Mindanao	\$3,875	\$4,009	\$4,414	\$4,755	\$5,033	\$4,939	\$5,310	\$5,661	\$5,903	5.4%
Total	\$302,816	\$324,466	\$346,955	\$368,957	\$391,532	\$354,264	\$374,510	\$402,861	\$425,246	4.3%

Source: Philippine Statistics Authority; The Innovation Group

Income

The latest survey results from the Philippine Statistics Authority showed that the average annual household income in 2021 was approximately US\$6,200 given a conversion rate of 0.02. In comparison, the average annual family expenditure for the same year was approximately US\$4,600. Hence, a Filipino family has savings of about US\$1,600 in a year, on average.

The following table displays average annual family income by decile in 2018 and 2021—the two most recent years the Philippine Statistics Authority completed its Family Income and Expenditure Survey. Interestingly, the average annual family income has decreased between 2018 and 2021 in PHP. This figure decreased by a CAGR of roughly 0.7% (in PHP-terms) through 2021 to about PHP 307,000 from about PHP 313,000 in 2018. Although, due to a difference in exchange rate, the income has increased in terms of US dollars from approximately US\$6,000 to about US\$6,200.

Table 12: Philippine Average Annual Family Income by Decile

Decile	2018		2021		2018-2021 CAGR (PHP)
	PHP	USD*	PHP	USD**	
First	₱113,460	\$2,173	₱116,020	\$2,355	0.7%
Second	₱144,340	\$2,764	₱152,140	\$3,088	1.8%
Third	₱168,160	\$3,220	₱175,860	\$3,569	1.5%
Fourth	₱197,300	\$3,778	₱202,660	\$4,113	0.9%
Fifth	₱225,030	\$4,309	₱227,680	\$4,621	0.4%
Sixth	₱262,590	\$5,029	₱261,780	\$5,313	-0.1%
Seventh	₱308,370	\$5,905	₱302,940	\$6,148	-0.6%
Eighth	₱370,820	\$7,101	₱361,620	\$7,339	-0.8%
Ninth	₱475,970	\$9,115	₱457,160	\$9,278	-1.3%
Tenth	₱867,410	\$16,611	₱813,910	\$16,518	-2.1%
National Average	₱313,345	\$6,001	₱307,177	\$6,234	-0.7%

Source: Philippine Statistics Authority, 2018 and 2021 Family Income and Expenditure Survey;
*Exchange Rate:1 PHP = .019 USD; **Exchange Rate:1 PHP = .020 USD, The Innovation Group

Unemployment

The effects from the global pandemic notwithstanding, unemployment within the Philippines has generally been decreasing in recent years. The estimated unemployment rate for the country in 2019 was 5.1%, and increased during the pandemic, but is currently below pre-pandemic levels at 3.8% as of 2024. Despite the decline in the unemployment rate, wealth is still somewhat concentrated in the upper classes of society, implying the potential of high-end market segments.

Table 13: Philippines Annual Estimated Unemployment Rate by Region

	2018	2019	2020	2021	2022	2023	2024
National Capital Region	6.6%	5.8%	11.7%	10.6%	7.2%	5.9%	5.2%
Cordillera Administrative Region	4.1%	3.5%	10.4%	5.8%	3.7%	2.8%	2.3%
Ilocos	6.8%	5.3%	13.4%	8.2%	6.1%	5.0%	3.3%
Cagayan Valley	3.0%	3.5%	8.7%	6.0%	4.0%	2.4%	3.0%
Central Luzon	5.8%	5.1%	13.1%	7.5%	5.2%	4.2%	2.9%
Calabarzon	6.6%	6.1%	11.6%	10.6%	6.4%	5.4%	5.7%
Mimaropa Region	4.7%	4.4%	7.3%	7.9%	4.5%	3.6%	4.4%
Bicol	4.9%	5.2%	9.5%	8.2%	5.8%	4.9%	5.6%
Western Visayas	5.3%	4.7%	7.8%	6.6%	5.2%	4.1%	4.1%
Central Visayas	5.3%	5.2%	10.3%	7.2%	5.0%	3.6%	2.9%
Eastern Visayas	4.2%	4.5%	8.0%	6.6%	4.9%	3.8%	3.1%
Zamboanga Peninsula	4.1%	3.7%	9.9%	4.0%	4.1%	3.1%	2.4%
Northern Mindanao	4.1%	4.4%	6.4%	4.9%	4.3%	5.3%	4.0%
Davao Region	4.3%	3.8%	9.2%	4.8%	4.0%	3.1%	2.5%
Soccsksargen	3.9%	4.4%	9.1%	5.3%	3.7%	3.2%	2.4%
Caraga	4.1%	4.8%	7.6%	5.7%	4.4%	3.0%	2.8%
Autonomous Region In Muslim Mindanao	3.8%	6.6%	9.0%	9.2%	5.8%	3.6%	3.5%
Total	5.3%	5.1%	10.3%	7.8%	5.4%	4.3%	3.8%

Source: Philippine Statistical Authority; Annual Labor and Employment Status

Clark Freeport Special Economic Zone

Clark Freeport Special Economic Zone is located in Central Luzon, Philippines, and according to Visit Central Luzon, spans the city of Angeles and the provinces of Pampanga and Tarlac. Visit Central Luzon notes that, “The CFEZ is divided into two areas, the Clark Freeport Zone (CFZ) and the Clark Special Economic Zone (CSEZ). The New Clark City is part of the Clark Special Economic Zone. The CFZ covers the area of the former United States Air Force facility, Clark Air Base. Most of which of this air base was converted to the Clark International Airport and some remained under the control of the Philippine Air Force.” The below table breaks down Central Luzon population by city/municipality.

Table 14: Central Luzon Population by City/Municipality

	2010	2015	2020	2020 % of Total	CAGR 2015-2020
Aurora	201,233	214,336	235,750	1.9%	1.9%
Bataan	687,482	760,650	853,373	6.9%	2.3%
Bulacan	2,924,433	3,292,071	3,708,890	29.9%	2.4%
Nueva Ecija	1,955,373	2,151,461	2,310,134	18.6%	1.4%
Pampanga*	2,014,019	2,198,110	2,437,709	19.6%	2.1%
City of Angeles	326,336	411,634	462,928	3.7%	2.4%
Tarlac	1,273,240	1,366,027	1,503,456	12.1%	1.9%
Zambales**	534,443	590,848	649,615	5.2%	1.9%
City of Olongapo	221,178	233,040	260,317	2.1%	2.2%
Total	10,137,737	11,218,177	12,422,172		2.1%

Source: Philippine Statistics Authority, The Innovation Group,

*Excludes City of Angeles, **Excludes City of Olongapo

Table 15: Central Luzon Region GRDP & Unemployment (Constant 2018 Prices)

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
GRDP (billion Pesos)	2,062	2,184	1,881	2,021	2,185	2,318	2.4%
Unemployment (%)	5.8%	5.1%	13.1%	7.5%	5.2%	4.2%	-6.3%

Source: Philippine Statistics Authority, The Innovation Group

Republic of Korea (South Korea)

Korea is located in the southern part of the Korean peninsula. It shares land borders with North Korea and overseas borders with Japan to the east and northeastern region of China to the west. The country is divided into nine provinces, including one special province (Jeju) with a more autonomous provincial government. Within the regular provinces, there are six metropolitan cities, representing the first-level administrative divisions from Korea and one special city (Seoul) as well as one special self-governing city (Sejong).

Population

Korea's population has remained steady throughout the last six years. 2023 population figures are only 128,000 people greater than 2018 levels. The table below shows population levels for the last six years.

Table 16: Korea Total Population

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Total Population (000's)	51,585	51,765	51,836	51,745	51,628	51,713	0.0%

Source: The World Bank

Population by region is available through 2019, as summarized in the table below.

Table 17: Korean Population by Region

(000's)	2010	2015	2016	2017	2018*	2019*	CAGR
Seoul	9,763	9,806	9,802	9,799	9,730	9,692	-0.1%
Busan	3,513	3,440	3,427	3,413	3,392	3,369	-0.5%
Daegu	2,456	2,461	2,460	2,459	2,449	2,435	-0.1%
Incheon	2,518	2,913	2,946	2,978	2,987	3,002	2.0%
Gwangju	1,414	1,502	1,512	1,523	1,517	1,517	0.8%
Daejeon	1,439	1,535	1,547	1,560	1,544	1,532	0.7%
Ulsan	1,045	1,166	1,177	1,188	1,181	1,188	1.4%
Gyeonggi-do	10,341	12,672	12,970	13,276	13,541	13,744	3.2%
Gangwon-do	1,461	1,522	1,524	1,527	1,525	1,525	0.5%
Chungcheongbuk-do	1,454	1,603	1,613	1,623	1,633	1,641	1.4%
Chungcheongnam-do	1,879	2,133	2,154	2,175	2,194	2,201	1.8%
Jeollabuk-do	1,779	1,833	1,830	1,826	1,819	1,830	0.3%
Jeollanam-do	1,815	1,796	1,784	1,771	1,769	1,766	-0.3%
Gyeongsangbuk-do	2,595	2,682	2,680	2,678	2,672	2,667	0.3%
Gyeongsangnam-do	3,041	3,340	3,366	3,392	3,399	3,402	1.3%
Jeju-do	531	623	632	640	656	663	2.5%
Total Population	49,410	51,010	51,270	51,420	51,630	51,779	0.5%

Source: Statistics Korea; *2018 & 2019 region population calculated based on growth rates from Statistics Korea; The Innovation Group

Economy

Over the past 50 years, the Korean economy has grown substantially, emerging as a global high-tech industrialized economic leader. In the 1960s, the Korean GDP per capita was comparable to poorer Asian and African countries. The country now represents the 13th largest economy according to the CIA World Factbook. Korea's GDP decreased by 0.1% from 2018-2023. It had been steadily increasing from 2019-2021 and decreased in 2022 while returning to growth in 2023.

Table 18: Korea Historical GDP (Current US\$)

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Korea GDP (Millions)	\$1,725,373	\$1,651,423	\$1,644,313	\$1,818,432	\$1,673,916	\$1,712,793	-0.1%
Growth (%)		-4.3%	-0.4%	10.6%	-7.9%	2.3%	
GDP per Capita	\$33,447	\$31,902	\$31,721	\$35,142	\$32,423	\$33,121	-0.2%
Growth (%)		-4.6%	-0.6%	10.8%	-7.7%	2.2%	

Source: The World Bank, The Innovation Group

The Korean economy is heavily dependent on exports, which account for approximately 50% of the country's GDP and represents one of the country's primary long-term economic challenges. Other long-term challenges include a rapidly aging population, an inflexible labor market, and dominance of large conglomerate companies such as Hyundai and Samsung.

Since the late 1990s, Korean culture (specifically, the Korean "pop" culture) has been spread throughout Asia and the rest of the world. The Korean Wave, also commonly known as *Hallyu*,

refers to the increase in popularity and export of Korean culture. In recent years, *Hallyu* has been driven by the hugely popular Korean pop, or “K-pop,” videos.

Outbound Tourism

Korea is one of Asia's “economic tigers”, and with the strengthening economy international travel has become possible for large numbers of people, but a long-haul trip remains a major commitment for most Koreans. After falling by 30% in the wake of the 2007-2008 financial crisis, outbound international trips finally set a new record of 22.4 million in 2016. Outbound trips have grown by an average of 10% per year since 1991. From 2016 to 2019, Korean international departures have continued to increase by a CAGR of 8.7%. Although this is substantially higher than that in the neighboring countries, it still has a lot of room for growth by world standards in relation to GDP per capita, boding well for prospective Korean visitation to the Philippines. Note 2020 numbers are also included but are not a good measure of growth because of the COVID-19 pandemic.

The Philippines has been a popular tourist destination for outbound Korean tourists for decades. In fact, many Koreans are attracted to the low cost of English-language education and abundance of leisure amenities, with the warmer climate as another motivating factor. The Philippines is also a popular destination for retired Koreans on fixed pensions.

Table 19: Korean Outbound Tourism

	2016	2017	2018	2019	2020	CAGR 2016-2019
International Departures (000's)	22,383	26,496	28,696	28,714	4,276	8.7%
International Expenditures (US\$ Millions)	\$29,817	\$34,453	\$38,022	\$34,844	\$16,705	5.3%

Source: World Bank, The Innovation Group

The major contributions to Korea’s continued growth are the expansion of low-cost carriers for international destinations and the strong value of the Korean won. The local low-cost carriers significantly contributed to more affordable overseas travel by increasing the number of routes and destinations. Along with flight sales, sales of tour packages that included low-cost carriers also enjoyed high popularity for price-conscious consumers who mostly travelled for leisure. Koreans’ positive perception of overseas travel and the abundance of information sharing through mass media and social media are expected to continue to boost growth of outbound tourism in the coming years.

China

The People's Republic of China, located in East Asia, covers approximately 9.6 million square kilometers, making it the world's second-largest country by land area. China is bordered by 14 countries including Afghanistan, Bhutan, Burma, India, Kazakhstan, North Korea, Kyrgyzstan, Laos, Mongolia, Nepal, Pakistan, Russia, Tajikistan, and Vietnam. While China does not share a land border with Korea, the country's North and Northeast regions share a sea border with Korea.

The People's Republic of China is a single-party state and is governed by the Chinese Communist Party. The government exercises jurisdiction over 22 provinces, five autonomous regions, four direct-controlled municipalities, and two primarily autonomous special administrative regions (Hong Kong and Macau).

Population

The most recent statistical data available comes from the World Bank. Below shows the most current population statistics for China, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and Taiwan Province. Since 2018, China's population has remained relatively flat with a CAGR of 0.1% from 2018-2023.

Table 20: China Total Population

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Total Population (000's)	1,402,760	1,407,745	1,411,100	1,412,360	1,412,175	1,410,710	0.1%

Source: World Bank

Population by region is available through 2020, as summarized in the table below.

Table 21: Chinese Population by Region

(10,000's)	2015	2016	2017	2018	2019*	2020	CAGR 2015-2020
Beijing	2,171	2,173	2,171	2,154	2,145	2,189	0.2%
Tianjin	1,547	1,562	1,557	1,560	1,559	1,387	-2.2%
Hebei	7,425	7,470	7,520	7,556	7,599	7,461	0.1%
Shanxi	3,664	3,682	3,702	3,718	3,736	3,492	-1.0%
Inner Mongolia	2,511	2,520	2,529	2,534	2,541	2,405	-0.9%
Liaoning	4,382	4,378	4,369	4,359	4,350	4,259	-0.6%
Jilin	2,753	2,733	2,717	2,704	2,690	2,407	-2.6%
Heilongjiang	3,812	3,799	3,789	3,773	3,760	3,185	-3.5%
Shanghai	2,415	2,420	2,418	2,424	2,426	2,487	0.6%
Jiangsu	7,976	7,999	8,029	8,051	8,077	8,475	1.2%
Zhejiang	5,539	5,590	5,657	5,737	5,812	6,457	3.1%
Anhui	6,144	6,196	6,255	6,324	6,389	6,103	-0.1%
Fujian	3,839	3,874	3,911	3,941	3,975	4,154	1.6%
Jiangxi	4,566	4,592	4,622	4,648	4,676	4,519	-0.2%
Shandong	9,847	9,947	10,006	10,047	10,097	10,153	0.6%
Henan	9,480	9,532	9,559	9,605	9,642	9,937	0.9%
Hubei	5,852	5,885	5,902	5,917	5,933	5,775	-0.3%
Hunan	6,783	6,822	6,860	6,899	6,938	6,644	-0.4%
Guangdong	10,849	10,999	11,169	11,346	11,524	12,601	3.0%
Guangxi	4,796	4,838	4,885	4,926	4,971	5,013	0.9%
Hainan	911	917	926	934	943	1,008	2.0%
Chongqing	3,017	3,048	3,075	3,102	3,129	3,205	1.2%
Sichuan	8,204	8,262	8,302	8,341	8,381	8,367	0.4%
Guizhou	3,530	3,555	3,580	3,600	3,623	3,856	1.8%
Yunnan	4,742	4,771	4,801	4,830	4,860	4,721	-0.1%
Tibet	324	331	337	344	351	365	2.4%
Shaanxi	3,793	3,813	3,835	3,864	3,890	3,953	0.8%
Gansu	2,600	2,610	2,626	2,637	2,651	2,502	-0.8%
Qinghai	588	593	598	603	608	592	0.1%
Ningxia	668	675	682	688	695	720	1.5%
Xinjiang	2,360	2,398	2,445	2,487	2,533	2,585	1.8%
National Total	137,462	138,271	139,008	139,538	**140,005	141,178	0.5%

Source: National Bureau of Statistics; *2019 Population by Region Estimates; **2019 National Total from National Bureau of Statistics Press Release; Note: statistics do not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan Province, The Innovation Group

Economy

China is the world's second-largest economy, trailing only the United States based on Gross Domestic Product (GDP) output. In 2023, China's GDP was almost US\$18.0 trillion. From 2017 to 2023, China's economy increased by a CAGR of 6.3%.

Table 22: Chinese Historical GDP (Current US\$)

	2017	2018	2019	2020	2021	2022	2023	CAGR 2017-2023
China GDP (Billions)	\$12,310	\$13,895	\$14,280	\$14,688	\$17,820	\$17,963	\$17,795	6.3%
Growth (%)		12.9%	2.8%	2.9%	21.3%	0.8%	-0.9%	
GDP Per Capita	\$8,817	\$9,905	\$10,144	\$10,409	\$12,618	\$12,720	\$12,614	6.2%
Growth (%)		12.3%	2.4%	2.6%	21.2%	0.8%	-0.8%	

Source: The World Bank, The Innovation Group

The fact that China's GDP per capita remains relatively low is primarily due to the large population and can be misleading if taken at face value. According to the United Nation's Statistical Division, there were over 300 million middle-class Chinese citizens in 2017, or roughly the entire population of the United States. This number is estimated to grow to 630 million by 2027. Moreover, Chinese consumers spent US\$3.7 trillion in 2015 and could be as high as US\$6.4 trillion by 2025, according to data compiled by the Demand Institute, a global think tank focusing on consumer behavior research.

Outbound Tourism

Coinciding with the strong growth of China's economy and middle class, the number of Chinese citizens traveling internationally increased significantly in the years before the pandemic, growing by a CAGR of 7.7% from 2014 to 2019. Chinese outbound visitors reached 155 million in 2019 and had been growing strongly.

Given the rapidly growing middle class and their spending power, relaxation of visa requirements, and growing of outbound flights, outbound mainland Chinese tourist numbers were projected to reach 200 million by 2022 if there were no pandemic-related impacts. As of today, China's outbound tourists are still less than 10% of the country's total population, which suggests huge potential in the outbound travel market. Below are outbound tourism statistics prior to the pandemic. Newer tourism statistics could not be found from the source. However, according to an article published by Global Times, China's outbound tourism surpassed 2019 numbers during the Chinese New Year holidays in 2024.

Table 23: Chinese Outbound Tourists

Year	Tourists (Millions)
2014	107
2015	117
2016	122
2017	130
2018	150
2019	155
CAGR	7.7%

Source: Ministry of Culture and Tourism of People's Republic of China

Today's Chinese outbound tourists desire for new experiences ranging from sightseeing to food, to hotels, to gaming and shopping, and these tourists will become increasingly savvy and independent in demanding high quality experiences and service, boding well for the success of the Hann Resort development given the resort's quality offerings, market position, and the level of services provided onsite.

Japan

The East Asian Island nation of Japan is located in the Pacific Ocean. The country's islands are positioned to the east of China, North Korea, Korea, and Russia. Taiwan lies to the south of Japan in the East China Sea separating the two countries. Japan and Korea are separated by the Sea of Japan. The Korea and Tsushima Straits represent the channels of water (split by the Tsushima Island) that separate the two countries. The Japanese islands with the closest proximity to Korea include Tsushima, Kyushu, Shikoku, and the southeastern region of Honshu (Chugoku). Japan is governed by a parliamentary government with a constitutional monarchy and is divided regionally into 47 prefectures. The country's current Prime Minister is Fumio Kishida.

Population

As of 2022, Japan had an estimated population of about 125 million people. The population has remained essentially flat, decreasing at a CAGR (2017 to 2022) of 0.3%.

Table 24: Japanese Population by Region

(000's)	2017	2018	2019	2020	2021	2022	CAGR
Hokkaido	5,320	5,286	5,250	5,225	5,183	5,140	-0.7%
Tohoku (North Honshu)	8,836	8,755	8,669	8,612	8,519	8,426	-0.9%
Kanto (Mideast Honshu)	43,248	43,359	43,464	43,653	43,561	43,535	0.1%
Chubu (Midwest Honshu)	21,356	21,286	21,216	21,148	21,011	20,886	-0.4%
Kansai (South Honshu)	22,431	22,365	22,308	22,312	22,195	22,094	-0.3%
Chugoku (Southeast Honshu)	7,369	7,325	7,282	7,254	7,198	7,137	-0.6%
Shikoku	3,788	3,756	3,721	3,697	3,659	3,620	-0.9%
Kyushu & Okinawa	14,360	14,311	14,257	14,245	14,174	14,108	-0.4%
Total	126,706	126,443	126,167	126,146	125,502	124,947	-0.3%

Source: Ministry of Internal Affairs and Communications of Japan, The Innovation Group

Economy

Japan was historically the third largest economy behind the United States and China but has just fallen behind Germany after quarters of contracting. Between 2018 and 2023, Japan's GDP declined by a CAGR of 3.6%. Inflation continues to grow in Japan as well as declining export demand.

Table 25: Japan Historical GDP (Current US\$)

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Japan GDP (Millions)	\$5,040,881	\$5,117,994	\$5,055,587	\$5,034,621	\$4,256,411	\$4,204,495	-3.6%
Growth (%)		1.5%	-1.2%	-0.4%	-15.5%	-1.2%	
GDP per Capita	\$39,751	\$40,416	\$40,041	\$40,059	\$34,017	\$33,767	-3.2%
Growth (%)		1.7%	-0.9%	0.0%	-15.1%	-0.7%	

Source: The World Bank, The Innovation Group

The country's GDP per Capita, US\$33,767 in 2023, is among the top 50 worldwide. The country's GDP per capita has followed the trend of declining along with GDP.

Outbound Tourism

Historically, Japan has been, and still is, one of the top 15 outbound tourism markets in the world. The number of Japanese travelers visiting locations outside of Japan totaled 20.1 million in 2019, growing by a CAGR of 5.5% since 2016. International expenditures over the same time period increased by a CAGR of 4.1% with travelers from Japan spending approximately US\$29.1 billion when traveling abroad.

Table 26: Japan Outbound Tourism

	2016	2017	2018	2019	2020	CAGR 2016-2019
International departures (000's)	17,116	17,197	18,945	20,081	3,174	5.5%
International expenditures (US\$ Millions)	\$25,853	\$25,773	\$28,116	\$29,130	\$6,815	4.1%

Source: OECD, The Innovation Group

The increase of direct flight routes by popular airlines such as Japan Airlines and All Nippon Airways (ANA) as well as lowering costs of flying are expected to contribute to increased overseas travel. Although Japanese outbound tourism is expected to grow slower relative to neighboring countries (especially China), they are still one of the largest groups of tourists outside of Asia and cannot be overlooked.

Taiwan

Taiwan, known officially as the Republic of China, is a sovereign state in East Asia. The country is composed of islands bordering the East China Sea, South China Sea, and Taiwan Strait. It is located to the north of the Philippines and is off the southeastern coast of China.

Taiwan is governed by a multiparty democratic government. In 2000, the country underwent its first peaceful transfer of power from the Nationalist Party to the Democratic Progressive Party. According to the CIA World Factbook, the dominant political issue in Taiwan continues to be the management of sensitive relations between the country and China—specifically the question of Taiwan’s status to China. Taiwan is divided into 13 counties, three municipalities, and six special municipalities.

Population

The most recent statistical data available comes from Statista. In 2023, Taiwan had an estimated population of nearly 23.4 million people. Similar to other countries outlined, Taiwan’s population has remained relatively stable, decreasing by a CAGR (2018-2023) of 0.1%.

Table 27: Taiwanese Total Population

	2018	2019	2020	2021	2022	2023	CAGR 2018-2023
Total Population (000's)	23,590	23,600	23,560	23,380	23,260	23,420	-0.1%

Source: Statista, The Innovation Group

Taiwan’s major international airports are located in Taoyuan, Taipei, Kaohsiung, and Taichung. These areas, including both cities and counties, account for over 44.4% of Taiwan’s total population. Thus, over 10.6 million Taiwanese citizens have a mode of transportation for international travel. Additionally, the combined population in these areas has grown at a CAGR (2015-2020) of 0.3%, more than double the growth rate of the overall population. The following table shows the largest Taiwanese cities by population.

Table 28: Taiwanese Population

(000's)	2015	2016	2017	2018	2019	2020	CAGR (2015-2020)
New Taipei City	3,971	3,979	3,987	3,996	4,019	4,030	0.3%
Taipei City	2,705	2,696	2,683	2,669	2,645	2,608	-0.7%
Taoyuan City	2,106	2,148	2,188	2,221	2,249	2,266	1.5%
Taichung City	2,744	2,767	2,787	2,804	2,815	2,818	0.5%
Tainan City	1,886	1,886	1,887	1,884	1,881	1,876	-0.1%
Kaohsiung City	2,779	2,779	2,777	2,774	2,773	2,767	-0.1%
Taiwan Province	7,157	7,137	7,112	7,090	7,068	7,048	-0.3%
Fuchien Prov.	145	148	150	152	153	154	1.1%
Total	23,492	23,540	23,571	23,589	23,603	23,566	0.1%

Source: Statistical Network of the Republic of China, The Innovation Group

Economy

In 2023, Taiwan produced a GDP of US\$755.7 billion, increasing by a CAGR of 4.2% since 2017.

Table 29: Taiwanese Historical GDP (Current US\$)

	2017	2018	2019	2020	2021	2022	2023	CAGR 2017-2023
Taiwan GDP (US\$ Billions)	\$590.7	\$609.2	\$611.4	\$673.2	\$775.7	\$760.5	\$755.7	
Growth (%)		3.1%	0.4%	10.1%	15.2%	-2.0%	-0.6%	4.2%
GDP per Capita	\$25,062	\$25,830	\$25,900	\$28,570	\$33,190	\$32,690	\$32,400	
Growth (%)		3.1%	0.3%	10.3%	16.2%	-1.5%	-0.9%	4.4%

Source: International Monetary Fund, The Innovation Group

Outbound Tourism

The growth of Taiwanese citizens traveling internationally has been relatively stable leading into 2020, as shown in the following figure. International departures for Taiwan have grown by a CAGR of 6.7% from 2015 to 2019. Over 17.1 million Taiwanese citizens traveled internationally in 2019.



Source: Tourism Bureau of the Republic of China MOTC, The Innovation Group

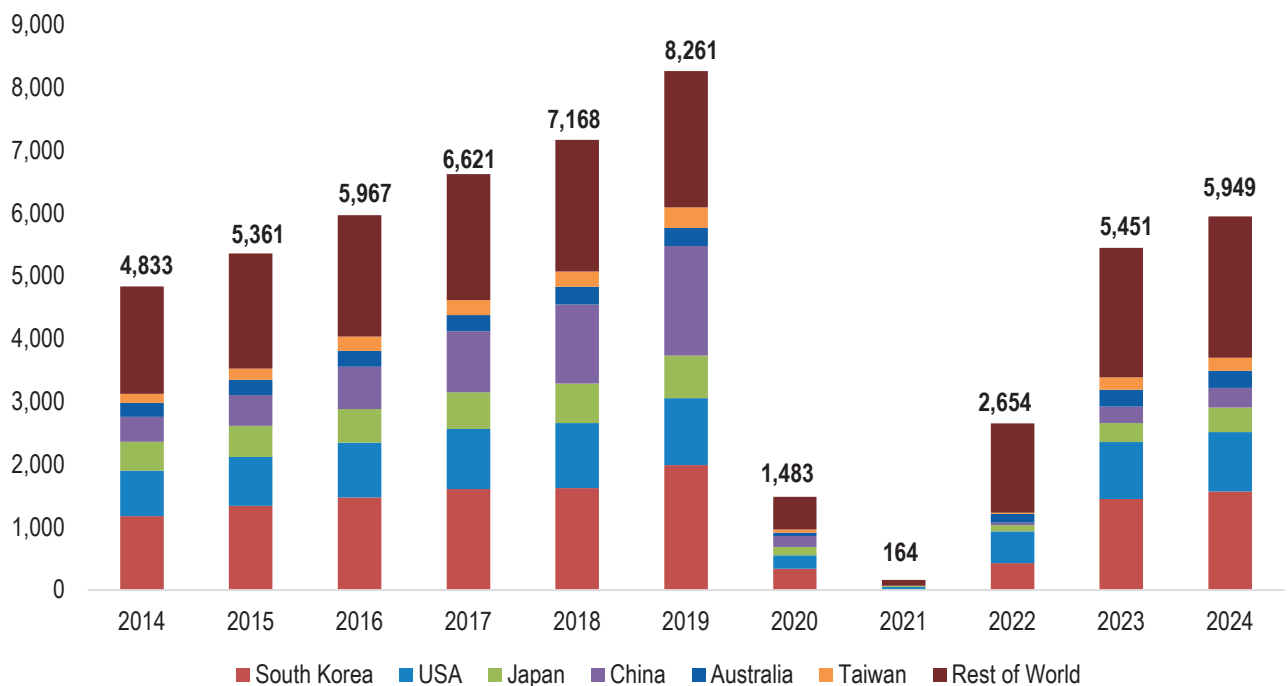
TOURISM

Given Hann Resort's current gaming revenue mix and market position, tourism (especially international tourism) is anticipated to continue to be a critical factor for the property. In this section, some of the specific tourism market characteristics are reviewed and analyzed.

The Philippines

In 2019, the Philippines welcomed nearly 8.3 million international visitor arrivals, as reported by the Philippine Department of Tourism. As displayed in the following chart and table, total visitation to the country increased over the ten years from 2010 to 2019 by a CAGR of 9.9%. Over the years since 2010, visitation to the country had increased steadily without any decrease until 2020. Due to the impacts of the COVID-19 pandemic, total international arrivals decreased by 85.1% year over year in 2020. Tourism has been increasing since 2021 but has yet to reach pre-pandemic levels. 2024 saw about 5.9 million international visitors.

Figure 4: Number of International Visitor Arrivals to the Philippines (Thousands)



Source: Philippine Department of Tourism, The Innovation Group

Table 30: Mix of International Visitor Arrivals to the Philippines (000's)

Year	Korea	USA	Japan	China	Australia	Taiwan	Rest of World	Total
2010	741	600	359	187	147	142	1,344	3,520
2011	925	625	375	243	171	182	1,397	3,917
2012	1,031	653	412	251	191	217	1,518	4,273
2013	1,166	675	434	426	213	139	1,629	4,681
2014	1,175	723	464	395	225	143	1,709	4,833
2015	1,340	779	496	491	241	178	1,836	5,361
2016	1,475	869	535	676	251	229	1,931	5,967
2017	1,608	958	584	968	259	237	2,006	6,621
2018	1,624	1,034	632	1,258	280	242	2,098	7,168
2019	1,989	1,064	683	1,743	286	327	2,168	8,261
2020	339	212	137	170	55	49	521	1,483
2021	6	39	15	10	2	2	90	164
2022	428	505	100	40	138	24	1,420	2,654
2023	1,451	903	306	264	267	195	2,066	5,451
2024	1,569	948	388	312	272	209	2,251	5,949
CAGR 2010-2019	11.6%	6.6%	7.4%	28.1%	7.6%	9.7%	5.5%	9.9%
CAGR 2020-2024	46.7%	45.4%	29.8%	16.4%	48.9%	43.9%	44.2%	41.5%

Source: Philippine Department of Tourism, The Innovation Group

In 2022, international travelers visiting the Philippines spent approximately US\$6.6 billion, which is close to 2016 levels, and is still recovering from the COVID-19 pandemic. Between 2020 and 2022, expenditure increased by a CAGR of 66.8%.

According to the Survey of Tourism Establishments conducted by the Philippine Statistics Authority, the major “tourism characteristic activities” include accommodation; food and beverages; road, water and air transport; transport equipment rental; travel agencies and other reservation service activities; cultural activities; sports and recreational activities; financial and insurance activities; and health and wellness. It is interesting to note that based on the January 2024 Philippine Tourism Industry Report by the Philippine Statistics Authority, the vast majority (nearly 72% of total in January 2024) of international visitors to the country are holiday/leisure tourists, followed by those visiting friends and relatives and business travelers, which bodes well for the leisure and hospitality establishments in the country, including the casinos.

The visitor’s average daily expenditure increased by 3.0% from 2023 to 2024, with the average spend of over US\$148 per day in 2024. The average length of stay also increased over the same years by 1.7% with the average length of stay in 2024 at 13.7 nights.

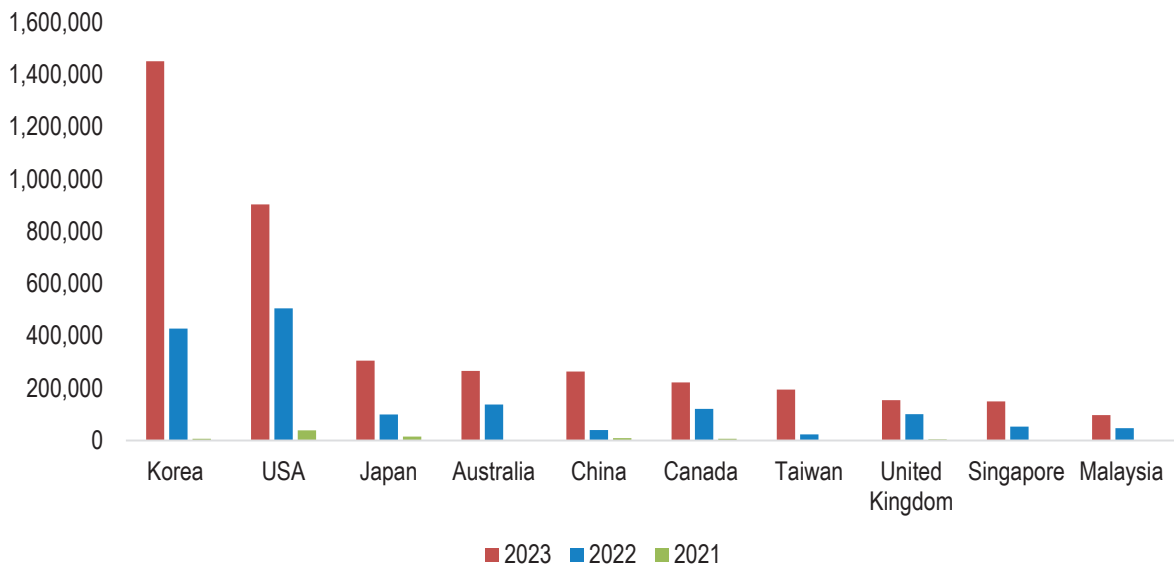
Table 31: Visitor Average Daily Expenditures and Length of Stay

Year	Average Daily Expenditure (USD)	Average Length of Stay (nights)
2023	\$144.02	13.4
2024	\$148.27	13.7
% Change	3.0%	1.7%

Source: Philippine Statistical Authority, The Innovation Group

Korea is the top source of international tourism, followed by USA, China, Japan, and Australia in 2023. Considering there was a significant decrease in tourism in 2020 and 2021 due to the pandemic, tourism numbers have increased dramatically between 2021 and 2023.

Figure 5: Top 10 Visitor Source Markets 2021-2023



Source: Philippine Department of Tourism, The Innovation Group

While Korea and USA are currently the largest source markets for Philippine arrivals, the Philippine gaming market benefits from its central location within the Pacific Rim region, which is easily accessible from such major tourism feeder markets as China, Korea, Japan, Taiwan, Malaysia, and Singapore where residents tend to have higher propensity towards casino gaming.

We note that arrivals from Korean visitors are likely to continue to increase in the Philippines as the two countries recently (July 4, 2024) signed a memorandum of understanding allowing for an increase in capacity between Manila Ninoy Aquino International Airport (“MNL”) and Seoul Incheon International Airport (“ICN”) to 30,000 weekly seats. Previously, airlines could operate up to 20,000 weekly seats on routes from Manila to Korea.⁵

In addition to the above memorandum of understanding, other recent regulatory moves bode well for the Philippines market. In March 2025, Republic Act No. 12079 was enacted, making the Philippines a value-added tax (“VAT”) free destination for foreign tourists. The regulatory move aims to boost tourism to the country and encourage more foreign tourists to shop and increase spending during their time in the country.⁶ Likewise, in April 2025 Executive Order No. 86 authorized the issuance of the Digital Nomad Visa in the Philippines. The new visa offers foreign remote workers a legal pathway to live and work temporarily in the Philippines and aims to boost tourism.⁷

The Destination of Clark

Until somewhat recently, the Clark area was known primarily for its US military base, which operated there for nearly 9 decades until the Mount Pinatubo volcano erupted in 1991. Since then, the area has been designated a Special Economic Zone to encourage redevelopment of the area. Moreover, the former Clark Air Base was designated a Freeport Zone in 2007.

The decision to grant Clark special economic status appears to have been a prudent move, as there has been significant development in the area over the past several decades. According to Clark Development Corporation, as of 2023 Clark offered 102 meeting and convention facilities, 4,174 hotel rooms and villas, 17 theme parks/museums/parks, 150 dining establishments, 10 sporting facilities including four golf courses, seven casinos, 19 wellness facilities, 13 retail stores, and seven medical facilities. Moreover, there were over 2,500 MICE events (meetings, incentives, conferences, and exhibitions) with over 363,000 attendees in 2024.

Upcoming major non-gaming developments in the Clark market include a walking street along RC Santos, the opening of Nayon Sa Clark (a cultural theme park), continued improvement of parks and open spaces, the opening of the National Museum Region III and Planetarium, continue improvement of the bus system, the completion of the Malolos-Clark Railway Project (which will connect Malolos, Bulacan to Clark and the Clark International Airport) and more. Soon, travelers will be able to travel by rail to Clark from Manila—this will reduce the travel time between Clark and Manila from two to three hours by Bus to one hour by train. Moreover, the Clark International Airport is expected to unveil the country’s highest air traffic control tower during the second quarter of 2025. The opening of the air traffic control tower comes as the Airport expects a significant increase in passenger volume (42.0%) with the coming transfer of turboprop operations from Ninoy Aquino International Airport in Manila.⁸

⁵ <https://aviationweek.com/air-transport/airports-networks/south-korea-philippines-expand-air-services-agreement>

⁶ <https://www.dof.gov.ph/ph-is-now-vat-free-for-foreign-tourists/#:~:text=12079%2C%20or%20the%20VAT%20Refund,Philippines%2C%20thereby%20bolstering%20economic%20growth.>

⁷ <https://pco.gov.ph/wp-content/uploads/2025/04/20250424-EO-86-FRM.pdf>

⁸ <https://mb.com.ph/2025/2/7/clark-airport-sees-passenger-growth-amid-turboprop-transfer>

On top of the developments noted above, other significant investments in Clark and the region include the mixed-use Filinvest New Clark City Innovation Park, which covers 120-hectares; the US\$3.17-billion Subic-Clark-Batangas Railway System; the US\$152-million Clark National Food Hub; and the US\$60-million expansion of airside capabilities at Clark International Airport.

Outside of Manila, Clark is receiving some of the most infrastructure and commercial development investments in the country. This capital flow will continue to transform Clark and enable the city to continue to increase tourism arrivals from both domestic and international tourists, which total over 3.3 million annually, as detailed in the following section.

Clark Tourism Statistics

In 2024, Clark had 4,022,251 total visitor arrivals, which is up by a CAGR of 0.3% compared to the pre-pandemic level in 2019.

Table 32: Clark Total Visitors

(000's)	2019	2020	2021	2022	2023	2024	CAGR 2019-2024
Overnight Arrivals	722	583	642	926	1,269	1,369	13.7%
Same Day	1,252	171	579	1,246	1,143	1,444	2.9%
CRK Arrivals	1,986	494	141	400	1,000	1,210	-9.4%
Total	3,960	1,248	1,362	2,572	3,412	4,022	0.3%

Source: CDC Tourism – Promotions Division, The Innovation Group

In 2024, there were an estimated 1.4 million overnight tourists to Clark, with about 567,000 foreign overnight visitors, and the remaining domestic. Between 2019 and 2024, overnight tourism has grown in Clark by a CAGR of about 13.7%. The table below shows overnight tourism to Clark.

Table 33: Clark Overnight Tourists

	2019	2020	2021	2022	2023	2024*
Foreign	391,461	154,443	121,008	208,564	488,355	566,959
Domestic	330,110	428,543	520,951	717,818	780,664	801,599
Total	721,571	582,986	641,959	926,382	1,269,019	1,368,558

Source: CDC Tourism – Promotions Division, The Innovation Group,

*Estimated based on 2023 overnight tourist data by origin

In 2024, overnight tourists spent approximately US\$358/person. The below shows total expenditure from overnight tourists, and expenditure per person. Between 2019 and 2024, expenditure per overnight traveler is up by a CAGR of 11.2%.

Table 34: Clark Overnight Tourists Avg. Daily Expenditure (USD)

(000's)	2019	2020	2021	2022	2023	2024	CAGR 2019-2024
Total Expenditure	\$151,645	\$501,673	\$340,707	\$296,544	\$605,142	\$489,493	26.4%
Expenditure/Overnight Arrival	\$210	\$861	\$531	\$320	\$490	\$358	11.2%

Source: CDC Tourism – Promotions Division, The Innovation Group

Clark features multiple large hotel brands, including the Clark Marriott Hotel, Swissotel Clark Hotel, Park Inn by Radisson Clark, and Hilton Clark Sun Valley Resort. The below table shows the occupancy rates for hotels in Clark from 2019-2024.

Table 35: Clark Hotel Occupancy Rates

	2019	2020	2021	2022	2023*	2024	CAGR 2019-2024
Occupancy Rate	71.8%	50.6%	45.7%	56.4%	78.1%	77.9%	1.7%

Source: CDC Tourism – Promotions Division, The Innovation Group

*Until June 2023

The following table below shows the breakdown of airport arrivals from 2019-2024. Airport arrivals have not fully recovered just yet from the pandemic but are up by a CAGR of about 25.1% from 2020 to 2024. About 65.0% of airport arrivals at CRK are foreign, while about 35.0% are domestic travelers.

Table 36: Clark International Airport Arrivals

	2019	2020	2021	2022	2023*	2024
Foreign	874,549	231,809	131,997	330,671	679,864	777,513
Domestic	1,111,389	262,578	9,405	68,929	320,324	432,166
Total	1,985,938	494,387	141,402	399,600	1,000,188	1,209,679

Source: CDC Tourism – Promotions Division, The Innovation Group,

*Estimated based on 2023 total passenger movements

ASIAN GAMING ENVIRONMENT

Casinos throughout the Asia Pacific area have traditionally relied on foreign customers. Casinos are currently prohibited in China, Hong Kong, Taiwan, Indonesia, Thailand, and Japan⁹. Korea has foreign-only casinos, with the exception of Kangwon Land Casino which, however, is located in such a remote area that many Koreans often choose to travel overseas to visit casinos. Malaysia's remote Genting Highland Casino is nominally off-limits to Malaysian Muslims.

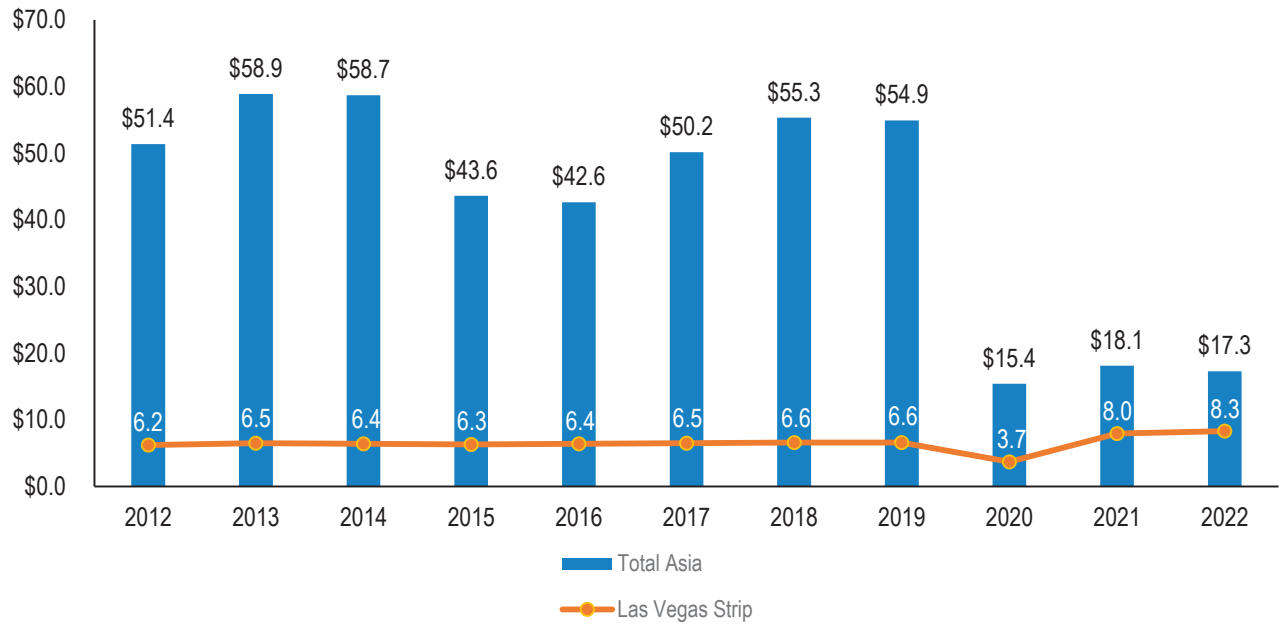
The major centers for gaming in Asia are Macau, Singapore, Korea, and the Philippines, which benefit from the restrictions listed above. Cambodia, Laos, and Vietnam have also developed casinos targeting foreign gamers. In the meanwhile, Australia and Las Vegas capture a portion of premium players from Asia. China remains the single largest gaming source market.

Overview of Asian Gaming Markets

Due to the fact that many gaming enthusiasts are not able to legally gamble in their own countries, casinos throughout Asia rely a great deal on inbound tourists and junket play (or other forms of volume-incentivized play based on rolling chips). Most gamers in Asia travel to Macau, Singapore, Philippines, and Korea where casinos are benefitting from the restrictions instituted by other Asian countries. Prior to the pandemic, in 2019, the gross gaming revenue in Asia reached nearly eight times the revenue at the Las Vegas Strip, as shown in the following chart. However, Asian countries are still recovering to their pre-pandemic levels, and gross gaming revenue in Asian countries was only about double that of the Las Vegas Strip in 2022.

⁹ Although Japan's casino implementation law was enacted in July 2018, the industry consensus is that the first casino in the country is unlikely to open before 2027, due to challenges during the planning stages and a large number of uncertain factors.

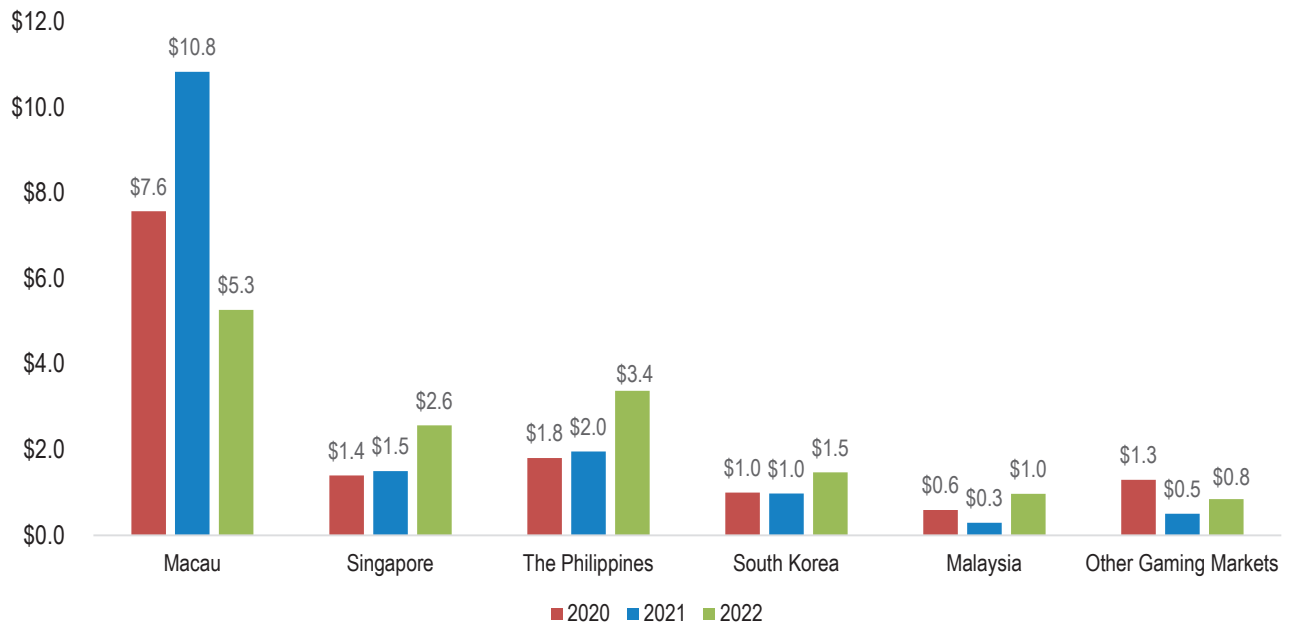
Figure 6: Asia* Gaming Revenue and Las Vegas Strip Gaming Revenue (in US\$ Billions)



* The Asian gaming markets include Macau, Singapore, The Philippines, Korea, Malaysia, Cambodia, and Vietnam
 Source: The Innovation Group, UNLV Center for Gaming Research, Las Vegas Convention and Visitors Authority

Macau is the most notable of all gaming markets. It currently has more casinos than any other Asian jurisdiction and is continuously expanding in terms of supply. Macau generated a record GGR in 2013 of US\$45.1 billion, more than four times that in the entire state of Nevada during the same period of time. Although GGR in Macau has contracted from its peak in more recent years and is still recovering from the pandemic, it remains the dominant market of the Asian countries.

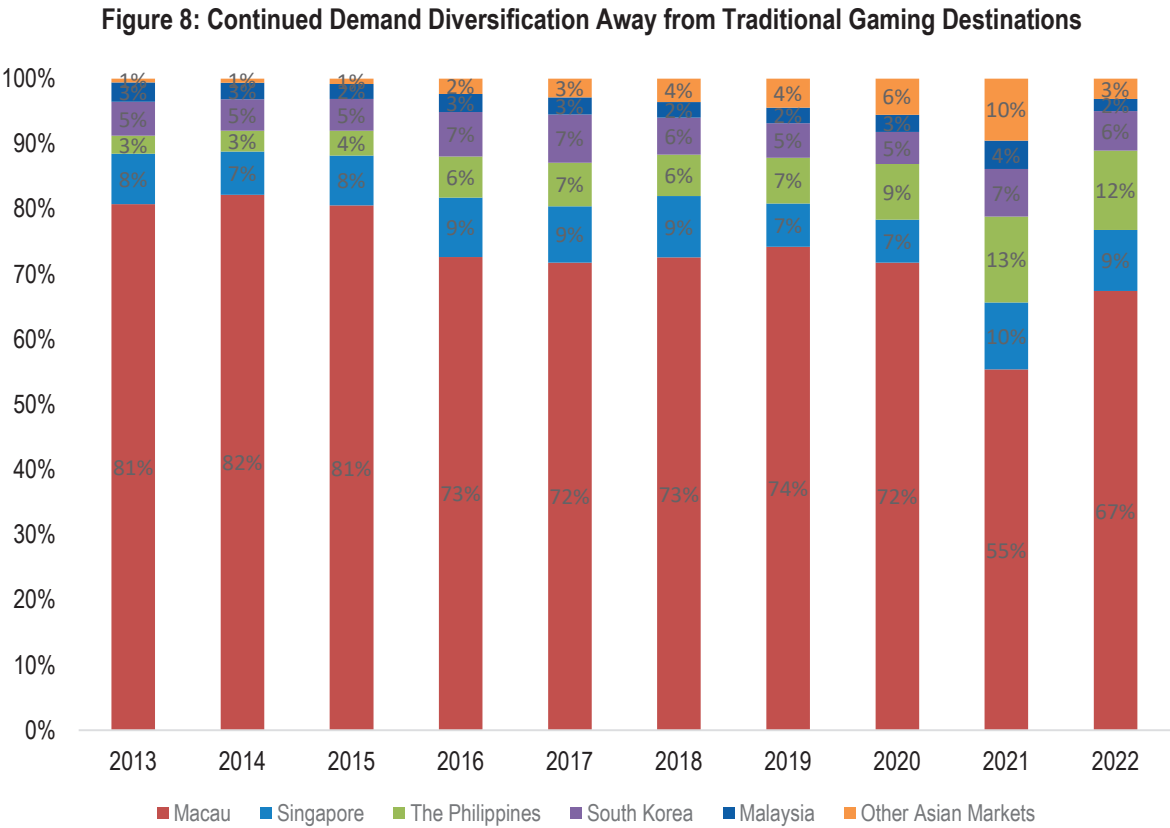
Figure 7: Asian Casino Gaming GGR 2020-2022 (in USD billions)



Source: Various company filings, government filings, Statista, Victorian Responsible Gaming, and investment bank reports

It is important to note that while the GGR contraction in 2020 was largely due to the global pandemic that resulted in community lockdowns, international travel restrictions, and suspended casino operations, there is also an increasingly higher pressure from the Chinese government against corruption and graft that scared off high rollers and decimated the junket system in the region. Additionally, the planned implementation of China's digital RMB may lead to greater government scrutiny and tighter control over money flows, resulting in a challenging operating environment for casinos. Such measures have slowed down the recovery in many Asian gaming markets. For example, the majority of visitation to Macau in early 2021 was from low-gaming-spend base tourists in groups during the period of slowly recovering GGR. These lower-spending—although higher-margin—customers were also being deterred by a variety of factors including tighter visa policies and increased oversight of UnionPay cards that many gamblers use to access funds in Macau.

On the other hand, Asian casino gaming markets undoubtedly remains one of the most attractive consumption plays and continue to be a highly attractive investment area with tremendous untapped growth potential. Emerging destination and regional markets, such as the Entertainment City in Manila as well as Clark, are expected to lead growth going forward as demand diversifies away from “traditional” gaming destinations such as Macau and Singapore, as suggested by data shown in the following chart.

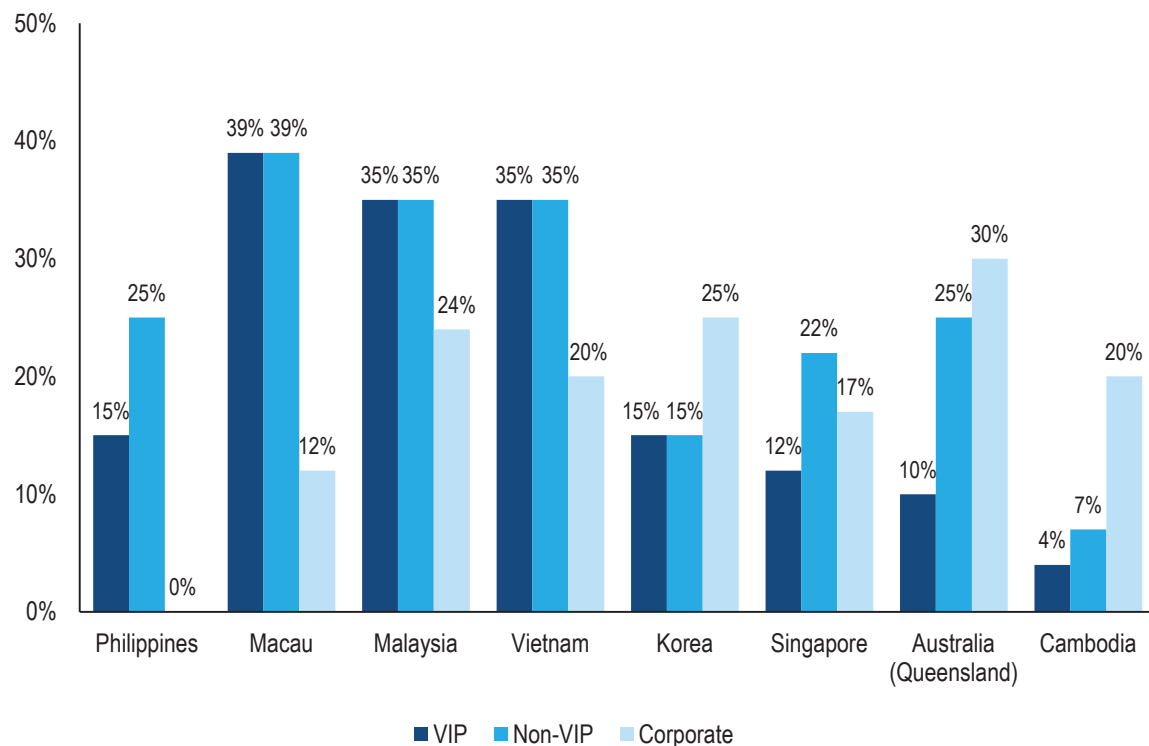


Source: Various company filings, analyst reports, and The Innovation Group

Casino Gaming Tax Regime

Gaming tax rates and structure have a significant impact on the potential profit of casino resorts and the return on investment of development projects. A successful gaming tax regime not only attracts optimal capital investment, but also derives adequate tax revenues to provide ample funding for tourism promotion, regulatory oversight, and other social and public needs. The chart below illustrates the effective gaming tax rates of major gaming markets in the Asia Pacific region.

Figure 9: Gaming Tax Rates in Major APAC Gaming Markets



Source: Government agency and gaming authority websites

It is important to note that the Philippine land-based casino gaming tax regime remains most competitive within the Asia Pacific region. Additionally, casino GGR is not subject to corporate income tax in the Philippines. These competitive advantages over casinos in other jurisdictions will enable Hann Resort to allocate more resources to customer acquisition and/or capital improvements for great operating performance.

Hann Resorts is located within the Clark Freeport Zone (“CFZ”), which is managed/overseen by the Clark Development Corporation (“CDC”), an implementing arm of the Bases Conversion and Development Authority (“BCDA”).

As a registered entity with CDC, Hann Resorts, in the conduct of its registered activities, is entitled to tax incentives that include:

- 5% Gross Income Tax (GIT), valid until December 31, 2031, as stated in Section 311 of Republic Act No. 11534 (or Corporate Recovery and Tax Incentives for Enterprises” (CREATE) Law), and
- tax and duty-free importation of capital equipment, spare parts, raw materials, and supplies. Unregistered activities, if any, shall be subject to regular taxes.

On the other hand, as licensee of the Philippine Amusement and Gaming Corporation (PAGCOR), Hann Resorts' Gross Gaming Revenue (GGR) from its casino operations is subject to the 5% franchise tax. This is in accordance with Presidential Decree (PD). No. 1869, as amended and the Bureau of Internal Revenue (BIR)'s Revenue Memorandum Circular No. 32-2022.

Exemplary Asian Gaming Markets

Macau

Macau is the oldest and largest casino destination in Asia. Gaming and hospitality are the center of Macau's economy, which primarily depends on foreign tourism over its local population of approximately 695,128 residents (World Bank 2022 data). Tourists from Mainland China, Hong Kong, and Taiwan make a considerable impact on the economy of Macau, as gaming is illegal in these locations, but transportation from these locations to Macau is fairly simple.

According to the Macau Gaming Inspection and Coordination Bureau (also known by its Portuguese acronym as "DICJ"), the Macau market consists of 30 casinos dispersed amongst Macau Peninsula, Taipa Island, and the Cotai Strip. The casinos house 12,000 slot machines and 6,000 gaming tables as of December 2023, with the total hotel room count at approximately 48,405 citywide. Due to the COVID-19 pandemic, the position supply understandably decreased in 2020, as summarized in the table below. Positions and number of casinos also decreased in 2022. Hotel room count has been steadily climbing since 2017. The casino operations are operated by six gaming concessionaires: S.J.M. Holdings, Galaxy Entertainment Group, Melco Resorts & Entertainment, MGM China, Sands China, and Wynn Macau.

Table 37: Macau Gaming Positions

	2017	2018	2019	2020	2021	2022	2023	CAGR 2017-2023
# of Casinos	40	41	41	41	42	30	30	-4.7%
Room count	37,100	38,700	38,282	35,142	44,224	46,506	48,405	4.5%
Table count	6,419	6,588	6,739	6,080	6,198	5,605	6,000	-1.1%
Slot count	15,622	16,059	17,009	8,906	11,758	10,775	12,000	-4.3%
Revenue (USD Bn)	\$33.20	\$37.90	\$36.25	\$7.57	\$10.82	\$5.26	\$22.75	-6.1%

Source: Macau Gaming Board (DICJ), Macao Tourism, Company Financials

Effective in September 2009, Macau restricted junket commissions to 1.25% of rolling chip volume (or approximately 50% of revenue). Prior to the restriction, the market average was 1.35%, although in some cases the rate went as high as 1.50%. Rolling chip volumes are used by casinos to measure the volume of VIP business transacted and represents the aggregate amount of bets players make. The rolling chips are non-negotiable but can be transferred to negotiable chips when winning bets are paid out. This method was specifically designed for VIP players to allow casinos to calculate the commission payable to gaming promoters.

Singapore

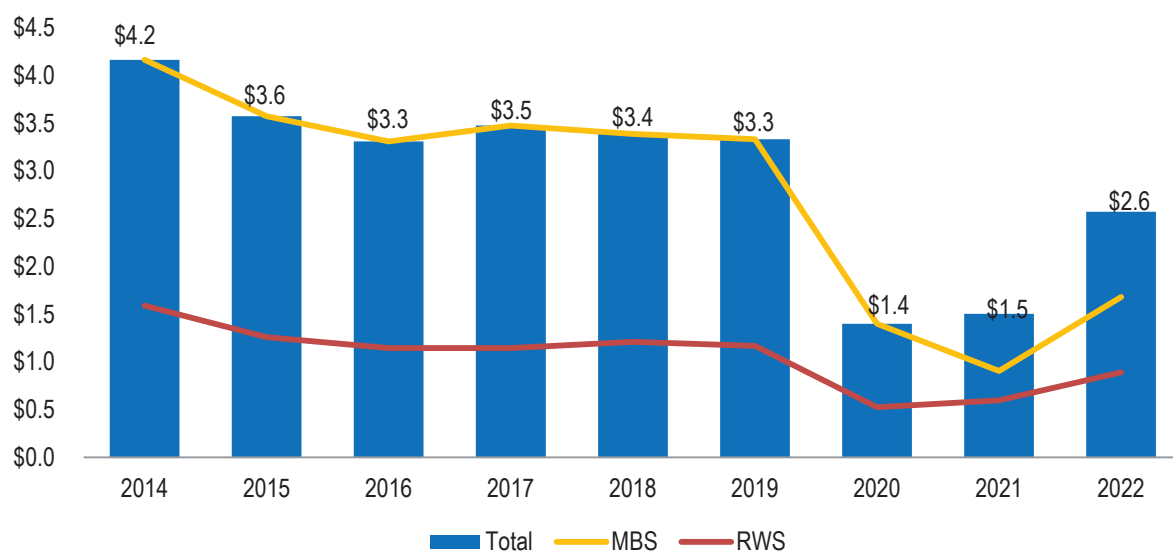
Singapore passed casino legislation in 2005 and awarded two gaming licenses to Las Vegas Sands Corporation (LVS) and Genting Resorts Worldwide. LVS operates on nearly 51 acres at Marina Bay, the city-state's new downtown. The Genting Casino is part of a 1,235-acre resort and residential development plan for the resort island of Sentosa. Development costs for each of these casinos reportedly exceeded US\$4.5 billion. Casinos are restricted to 15,000 square meters per

property or approximately 2,500 gaming positions. The legislation for legalized gaming in Singapore incorporates limits on the accessibility of local residents to the casino by imposing entry fees, with gamers able to opt for either an annual fee or a per visit entry fee.

In April 2019, the Singaporean Government approved the first major expansion of the two IRs in the city-state, involving S\$9.0 billion (approximately US\$6.7 billion) new investment in both gaming and non-gaming amenities, as well as increased casino entry fees and gaming taxes. The additional investment by the IRs represents almost two-thirds their initial investment. In view of the substantial investment, the government has also extended the duopoly period of the licenses to the end of 2030. This latest move by the government is seen as a long-term positive for the two operators, given the region's increasingly competitive gaming market, despite an increase in casino entry levy for locals and tax increases.

The chart below depicts the total revenue levels at both Marina Bay Sands (MBS) and Resort World Sentosa (RWS) from 2014 to 2022.

Figure 10: MBS & RWS Gaming Revenue Trends 2014-2022 (US\$ Billions)



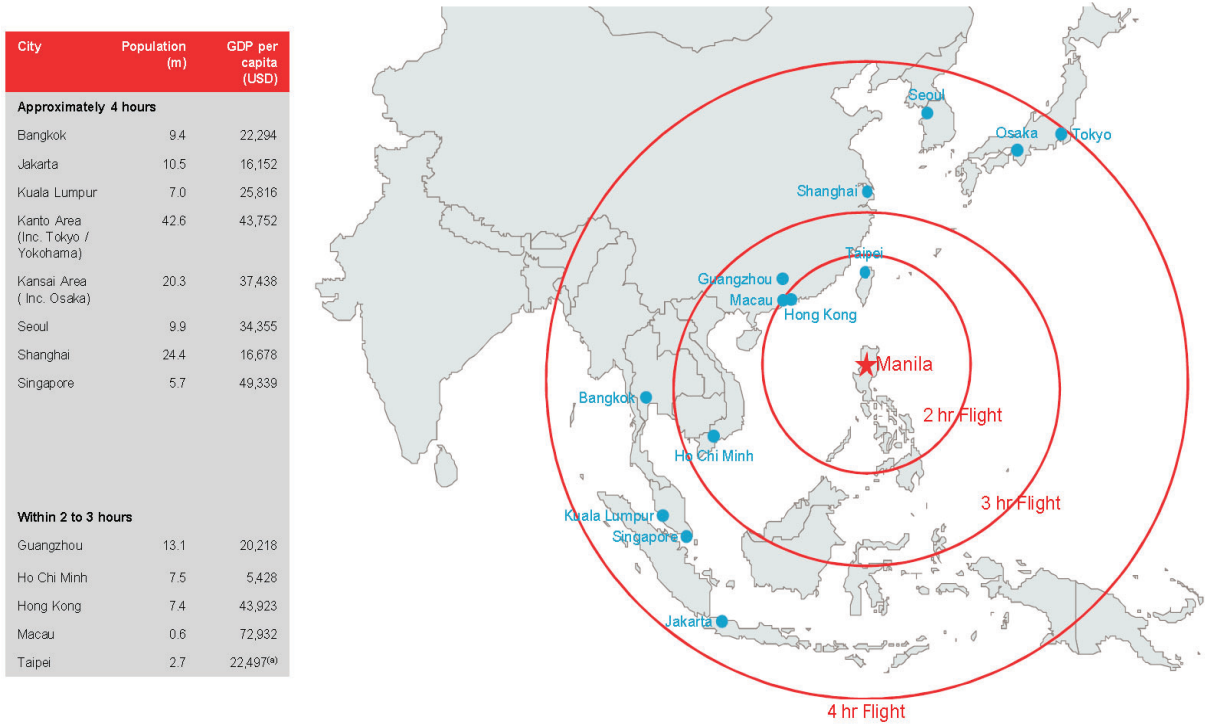
Source: Company financial filings

Philippines (Entertainment City and Clark)

The Entertainment City district in Parañaque, National Capital Region, is a truly remarkable pride and joy of the country in terms of gaming and leisure activities. PAGCOR awarded four provisional licenses in 2008 for IR development on a 100-hectare land plot on Manila Bay, which is now known as Entertainment City. In addition to Entertainment City, Clark has emerged as the second-largest gaming destination in the country.

As displayed in the chart below, Clark and Entertainment City is an attractive gaming destination well connected by a large number of flights to many of the Asia Pacific region’s most populous and prosperous cities within a 4-hour flight time.

Figure 11: Four-Hour Flight Time to Clark and Entertainment City



Entertainment City, along with Macau and Las Vegas, arguably represent the world’s top casino clusters. While these destinations have varying degrees of dependency on gambling — with Las Vegas perhaps representing the most diversified — the presence of casinos has undoubtedly shaped all the three into top tourist destinations. While smaller in scale, we believe Clark will continue to grow as a leading tourist destination in the Philippines.

In most industries, demand is the driver of supply. In the case of destination tourism markets, however, the lack of critical mass can often hinder growth and limit demand. Given this critical mass concept, The Innovation Group has found that the addition of gaming supply in destination type markets results in a “cluster effect,” more formally known as agglomeration. As we see, the existence of a critical mass of high-end properties and amenities in Entertainment City has created the “cluster” effect, providing international guests with an attractive option for travel and gaming entertainment in the country, and boosting strong economic growth by incremental jobs, additional market drivers, significant new infrastructure developments, and higher household incomes.

CASINO GAMING LANDSCAPE IN THE PHILIPPINES

Land-based casino gaming in the Philippines was legalized in 1976 by then President Ferdinand Marcos with the creation of the Philippine Amusement and Gaming Corporation (PAGCOR), a government-owned and controlled entity and the de facto gaming regulator in the country, as a result of the compelling need for the government to intervene in the proliferation of unlicensed casinos and underground bookmaking operations that conducted games of chance in a rampant manner.

Philippine Gaming Jurisdictions

Since the establishment of PAGCOR, the industry has grown steadily over the past few decades and has successfully secured its position among the top three gaming markets in Asia. In the broad terms of gaming, there are four jurisdictions in the Philippines:

1. PAGCOR for land-based casino gaming, whereas its relatively new Philippine Offshore Gaming Operator (POGO) and Philippines Inland Gaming Operator (PIGO) for online gaming,
2. the Philippine Charity Sweepstakes Office (PCSO) primarily administering lotteries,
3. the Cagayan Special Economic Zone (CEZA) that regulates gaming in the Cagayan Valley region, and
4. the Aurora Special Economic Zone and Freeport Authority (APECO) for gaming activities in its region.

Except PCSO, all jurisdictions are authorized to regulate and operate casino gaming, as well as grant licenses to other entities.

So far, PAGCOR has been the most prolific with a large number of casinos of its own and the responsibility for regulating other properties it granted licenses to — for example, the large-scale integrated resorts within Entertainment City in Metro Manila. Related to land-based casino gaming, PAGCOR's contribution to the overall casino count in the Philippines makes the country second only to Macau for the total number of gaming venues in Asia. Its properties are also known by the commercial brand name, Casino Filipino. Casino Filipino operates gaming venues in six locations across the Philippines and has a further 33 so-called “satellite” sites across the country. As of the end of 2019, the Casino Filipino chain offered a total of 475 live gaming tables and nearly 9,700 electronic gaming machines.

Besides Entertainment City, there are other notable areas in the scope of casino gaming. The Clark Freeport Zone, a redevelopment of the former U.S. airbase about 40 miles north of Metro Manila, is home to multiple casinos, including Royce Casino, Midori Casino, and Widus Hotel & Casino. In addition to the gaming in Clark, there a number of five-star hotel offerings in the Clark market including the Clark Marriott, the Midori Hotel, and the Swissotel.

Outside of Clark, Thunderbird Resorts & Casinos operate both Thunderbird Poro Point, the first five-star hotel resort in Northern Luzon, and Thunderbird Rizal, located east of Metro Manila and near Laguna Lake.

In late August 2021, the Philippine government lifted its declared January 2018 moratorium on new casinos and will start accepting new casino license applications. However, it was specifically clarified that no further casinos would be permitted in Entertainment City, other than projects already in development. Specific gaming expansions in the Clark market that have been announced are detailed later in this report.

Emerging Trends in the Philippine Gaming Market

PAGCOR Privatization

In recent years, PAGCOR launched a process to completely privatize its self-run casinos, which the entity targets to be finished by 2028. Through this process PAGCOR will sell its entire portfolio of 41 casinos. The privatization process comes after PAGCOR faced years of criticism over the entity's dual role as casino operator and regulator.

During the research period The Innovation Group was able to tour competing facilities, including those owned and operated by PAGCOR. Within the Clark market, it is our understanding that there are only two PAGCOR casinos currently operating—Casino Filipino Angeles and Casino Filipino Mimosa. PAGCOR facilities, including those in the Clark market, are generally out of date, and un-competitive with new quality product. And in recent experience in Asia, it does not appear that potential buyers will be easily stimulated at reasonable multiples meaning the assets are likely to linger and forgo needed improvements. For these reasons we do not see the market analysis sensitive to PAGCOR privatization within our margin of error.

Internet Gaming (“iGaming”)

Offering iGaming has only been permitted in the Philippines since 2019. PAGCOR issued 60 Philippines Offshore Gaming Operator (“POGO”) licenses to casino operators looking to monetize gaming demand *outside* the Philippines. POGOs, which are now referred to as International Gaming Licensees (“IGLs”), have in the past faced pressure from Philippines agencies due to several controversies involving immigration, bribery, and other crimes. PAGCOR and other agencies have been focused on ending these nefarious operations along with tightening licensing requirements for new IGL licenses.

Despite these more recent restrictions, since POGOs and IGLs were formally regulated by PAGCOR there has been near-continuous pressure from China which claims the IGLs are illegally offering iGaming to Chinese consumers. Despite the mixed views on IGLs, PAGCOR sees this form of gaming as a growth opportunity for the Philippine gaming industry with PAGCOR

Chairman and CEO Alejandro Tingo voicing his interest in issuing more ILG licenses as recently as early 2024.¹⁰

E-Sabong, online betting via live-streaming or broadcasting of live cockfights, was regulated by PAGCOR for a number of years prior to the May 2022 order from former President Duterte to suspend all e-Sabong operations in the country. This suspension was extended by current Philippine President, Ferdinand R. Marcos Jr, through an Executive Order signed in December 2022.

In response to the COVID-19 pandemic, PAGCOR began issuing a limited number of Philippines Inland Gaming Operator (“PIGO”) licenses to casinos for the purpose of offering iGaming to local Philippine gamblers. PIGO licenses were issued in 2020 and 2021 to technology provider DFNN, Okada Manila, Solaire Resort & Casino, Resorts World Manila, and City of Dreams Manila. By early 2023, PAGCOR had issued 20 PIGO licenses and, according to the regulator’s website, there are currently 28 PIGO license holders.¹¹

Revenue reported by DFNN, a technology provider in the Philippines that was issued PAGCOR’s first PIGO license in December 2020, suggests that there is significant competition among the 28 PIGO license holders for a relatively small and nascent total inland online gaming market. DFNN reported fiscal year 2022 revenue of just US\$16.1 million. Moreover, based on discussions with iGaming operators in the country, we understand this segment of gaming is generally unprofitable, especially when compared to land-based gaming. For these reasons, we believe the iGaming market in the Philippines will have immaterial impacts to the land-based casino gaming market over our forecast period.

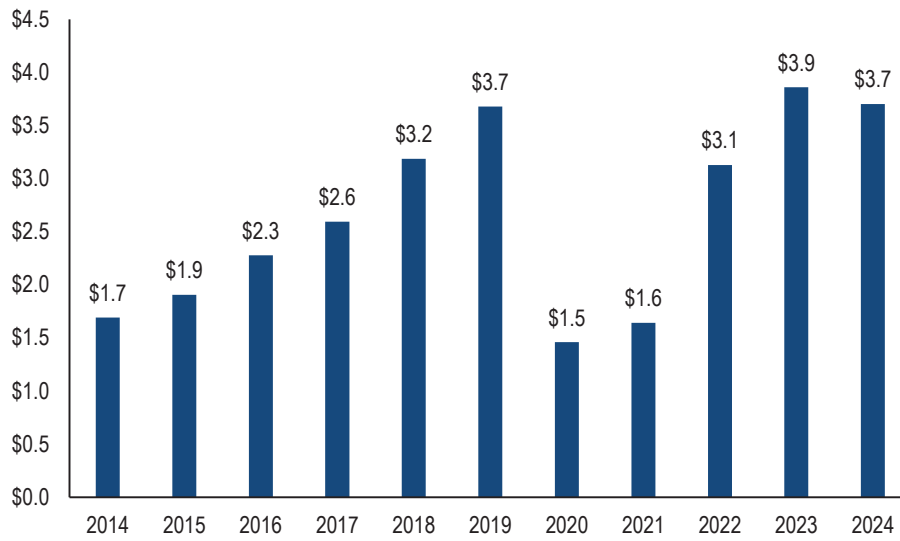
Philippine Casino Gaming Market Size

The Philippines represents a fast-growing, attractive, and differentiated gaming market within the Asia Pacific region. The country is easily accessible from major countries including China, Korea, and Japan among others. The country’s land-based casino gaming market has recovered back to pre-pandemic levels as of 2024. The following chart displays the historical GGR for the Philippine market that increased at a CAGR of approximately 9.1% from 2014 to 2024.

¹⁰ <https://www.philstar.com/business/2024/01/16/2326033/pagcor-keen-issuing-more-international-gaming-licenses>

¹¹ <https://www.pagcor.ph/regulatory/accredited-service-providers.php>

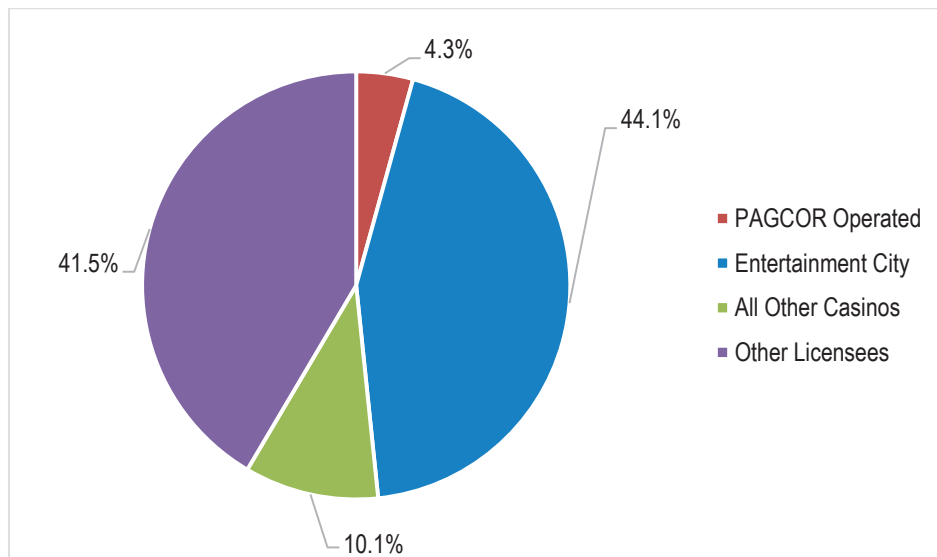
Figure 12: Philippine Land-based Casino GGR 2014-2024 (US\$ Billions)



Source: PAGCOR, company financial filings, The Innovation Group

The following chart illustrates the market share breakdown for the Philippines gaming market including casinos, electronic gaming sites, and other licensees. As of 2024, Entertainment City casinos accounted for approximately 44.1% of total GGR within the Philippines.

Figure 13: Philippine GGR Market Share, 2024



Source: PAGCOR, company financial filings, The Innovation Group

Clark Freeport Zone Gaming Market

The table below shows a summary of the Clark gaming market. Of the casinos below, the Hann Resort has the most hotel rooms, with 865 rooms across three different hotels. The Royce Hotel

and Casino has the most amount of slot machines, coming in at 1,200 machines. The area offers over 2,500 machines and approximately 650 table games.

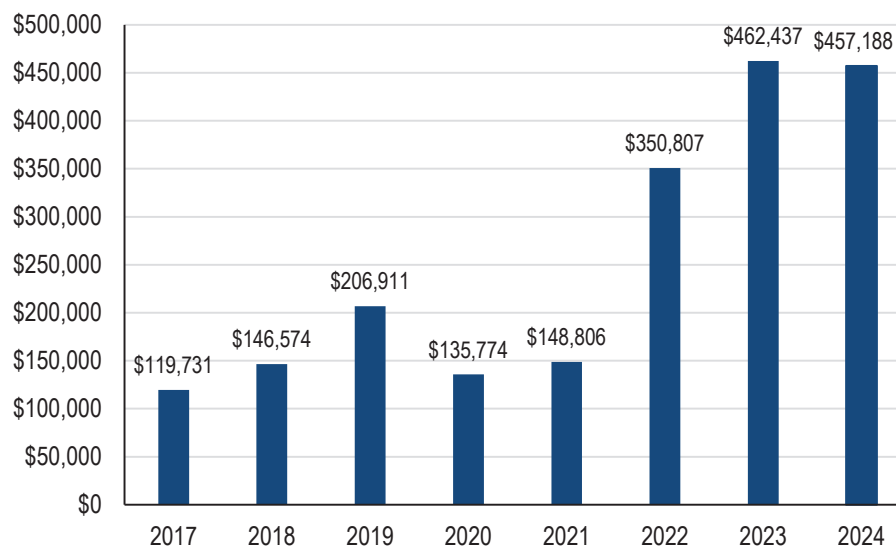
Table 38: Clark Casino Licensees Summary

	Hann Casino Resort	Royce Hotel and Casino	D'Heights Resort and Casino	Fortune Gate	Fontana	Midori
Number of Table Games	240	138	52	134	66	64
Number of Slots	1,162	1,200	576	28	100	NA
Number of ETGs	72	NA	NA	NA	NA	NA
Total Number of Hotel Rooms	865	500	308	238	70	111
Total Number of Restaurants	18	6	2	2	NA	6
Number of Retail Shops	19	NA	NA	NA	NA	NA

Source: Client Provided Data, PAGCOR, The Innovation Group

According to data provided by PAGCOR, the Clark market has experienced significant growth in recent years, increasing by a CAGR of 21.1% from 2017 to 2024, reaching nearly US\$460.0 million in 2024.

Figure 14: Clark Total GGR 2017-2024 (US\$ Thousands)



Source: PAGCOR

Expansions and New Gaming Development in the Market

The Clark gaming market has seen two significant expansions in recent years. The first being at the subject property-- In 2021, Hann unveiled its significant US\$250 million expansion of the old Widus Hotel and Casino, adding 130,000 square meters including a world-class gaming space, the Philippines' first Swissôtel, specialty dining options, retail, a swimming pool, an executive lounge, and event venues such as a ballroom and function rooms. This was followed by 2023 expansion to Royce, which created Clark's largest gaming floor covering 27,000 square meters, added a new hotel to the property as well as dining, retail, MICE space and a pool.

Aside from the proposed expansions to the existing Hann Resort as well as the Hann Reserve development, as summarized previously, the only publicized significant gaming-related development is the expansion to the D'Heights development-- construction is underway on a new building that will double casino capacity while adding another 300 hotel rooms.

GAMING MARKET ANALYSIS

This section describes our process of assessing the prospective gaming demand and revenue for the Clark gaming market. The analysis considers factors that have been derived from primary and secondary research on gamers both within and out of the major market region. Relevant models were established to evaluate potential gaming demand, visitation, and revenues, and the economic and demographic background of the region, tourism trends, competitive landscape, and other market dynamics were also incorporated into the study.

Major Gaming Market Segments

The major market segments for the Hann Resort gaming market analysis are defined as follows:

1. Local Gaming — For the purpose of this analysis, The Innovation Group considered the local gaming eligible population (aged at 21+ and income-eligible) in the country.
2. Base Tourism Mass — the base tourism market is a function of the existing tourism market to the Philippines, including a stabilized growth factor for the forecast period. The market includes a capture of international tourists who are traveling to the Philippines, as well as domestic Filipino travelers that decide to visit a casino.
3. Induced Premium Mass — this market segment represents a more serious player who is driven to the casino with the primary purpose of gaming and plays at a higher limit with cash.
4. VIP — this market segment includes the highest-value players as well as hosted play. These players are incentivized via the rolling chip program and are housed in the resort accommodations.

Please note, when displaying our build up of revenue for each segment we present our baseline revenue forecast. Following these baseline revenues we provide a range for each segment's annual revenue figures throughout our forecast period. Additionally, it is important to note that our forecasts for gaming revenue includes EGM revenue. Finally, our model included increases to gaming supply (Hann Resort and D'Heights expansions) as outlined in the previous section.

Methodology and Approach

Modeling For Mass Play

For the local and tourist mass segments, studies of gamer behavior have shown that both propensity and frequency of gaming are inversely related to travel distance to a gaming venue. As travel times increase, both the percentage of persons who gamble at that location and the number of times they visit the gaming venue decrease. This is offset, to some extent, by the tendency of a patron to spend more during a visit if they have traveled further to reach the gaming venue, all other things being equal. Gaming behavior also varies based on the availability and quality of the gaming experience. The following is a discussion of the component variables of the gaming market analysis:

- **Propensity.** Propensity measures the percentage of financially eligible adults who will participate in gaming within a given geographic unit. This varies based upon a number of factors, which include the number of gaming venues available in the region, their type and games permitted (i.e. slot clubs or full-service gaming venues with machines and table games), availability of other entertainment and leisure options, and most importantly, distance from a gaming venue.
- **Frequency.** Frequency is a measure of the average number of times individuals with a propensity to participate in gaming within a market will actually do so during the course of a given year. Like propensity, this tends to decline with distance from the market center or venue and with the degree of competition from other entertainment options. As an example, average inner-ring frequencies range between 12 and 20 per year in mature U.S. gaming markets.
- **Win per Visit (WPV).** WPV reflects the gaming venue's average gaming win per player visit for a given market segment. WPV tends to increase in proportion to distance traveled as gamers who travel longer distances tend to make fewer trips per year with a higher budget for each trip. WPV also varies based on income level and the specific facility attributes such as the degree of overcrowding and the slot portfolio mix.

The basic formulas for calculating gamer revenue from these segments are presented below,

- ❖ Adult Population x Propensity x Frequency = Gamer Visits
- ❖ Gamer Visits x Win per Visit = Gross Gaming Revenue

Modeling For VIP Play

Regarding the VIP segment, The Innovation Group utilized our proprietary Global VIP Gaming Trip Allocation Model to assess the VIP gaming revenue potential. The model employs the principle of “attraction”, or an “attraction factor” to allocate potential VIP trips on a global basis. The general form of the equation is that attraction is directly related to a measure of availability and attractiveness, such as the size of the casino, the number of gaming units, and quality of service/amenities, and inversely related to the square of the travel distance/time. The expected interaction between gaming venue i and market area j is shown as:

$$k \times \frac{N_i \times P_j}{d_{ij}^2}$$

where N_i = the number of gaming positions in a casino i , P_j = the age-eligible population in market area j , d_{ij} = the distance between casino i and market area j , and k = an attraction factor relating to the quality and amenities to be found at each gaming venue in comparison to the competing set of venues. When this formulation is applied to each gaming venue, gaming trips generated from any given area is then distributed among all the competing venues.

To distribute the VIP population bases appropriately from country to country, we used airport locations as a VIP traveling overseas for a gaming trip would likely utilize an international airport as a point of origin. To then allocate trips, each of these market areas was assigned a unique set of propensity and frequency factors. Gamer visits were then generated from airport locations within each of the areas based on these factors. The gamer visits generated were then distributed among the competitors based upon the size of each facility, its attractiveness, and the relative distance from the GPS coordinates in question. In other words, the gravity model calculated the probabilistic distribution of gamer visits from each market area to each of the gaming locations in the market. The model includes all major VIP gaming destinations with competing casinos that have the potential to attract patrons.

Gaming Revenue Forecasts

Local Market

The local market for Clark has been segmented by market (generally aligning with provinces) within a 2-hour travel time. Please note, for provinces with drive times with approximate 2-hour travel times to Clark, The Innovation Group estimated the percentage of the respective provincial population within 2 hours. The following table shows the market areas and their total populations as well as gamer populations (21+ and financially eligible) based on the most recent census data (2020).

Table 39: 2020 Clark Local Market Population (000's)

Market	Total Population	Gamer Population
Angeles City	462,928	242,377
Pampanga (Excluding Angeles City)	2,437,709	1,276,248
Bulacan	3,152,557	1,650,588
Tarlac	1,503,456	787,067
Bataan	853,373	446,785
Nueva Ecija	1,617,094	846,616
Zambales (Including Olongapo City)	682,449	357,311
NCR 3rd District Manila (Camanava District)	2,403,702	1,231,844
NCR 2nd District Manila (Eastern Manila District)	3,339,960	1,711,583
NCR 1st District Manila (Capital District Manila)	1,107,908	567,810
Pangasinan	316,319	164,037
Total	17,877,453	9,282,266

Source: The Innovation Group

In setting the propensity and frequency rates for the local segment, a qualitative assessment of the market area was made based on comparable markets as well as the current performance of the Philippine land-based gaming market. The following table displays estimated propensity and frequency figures along with a distance factor (travel time) for each market area.

Table 40: Clark Estimated Local Market Propensity and Frequency

Market	Distance Factor	Propensity	Frequency
Angeles City	20.00	13.5%	7.5
Pampanga (Excluding Angeles City)	40.00	9.5%	5.0
Bulacan	70.00	6.0%	3.0
Tarlac	50.00	10.0%	5.0
Bataan	76.00	6.0%	3.0
Nueva Ecija	107.00	5.5%	2.0
Zambales (Including Olongapo City)	80.00	6.0%	3.0
NCR 3rd District Manila (Camanava District)	120.00	3.5%	1.5
NCR 2nd District Manila (Eastern Manila District)	120.00	3.5%	1.5
NCR 1st District Manila (Capital District Manila)	120.00	3.5%	1.5
Pangasinan	120.00	3.5%	1.0

Source: The Innovation Group

Utilizing the market metrics described above, The Innovation Group then calculated the projected gaming revenue derived by the local market. The population of each market area was projected based on historical growth rates and applied to the propensity and frequency figures as described previously. Additionally, WPV is varied based on the current WPV trends in the market, as well as average income level. These figures were then applied to the population projections to determine the total gaming revenue derived from the local market areas. The following table provides the forecasted Clark local market potential for the second year of our forecast period (2026).

Table 41: Clark Local Market GGR Baseline Calculation – 2026

Local market	2026 Estimated Population*	Propensity	Frequency	Win Per Visit (\$)	Local Market Gaming Revenue (\$000)
Angeles City	271,604	13.5%	7.5	\$79	\$21,648
Pampanga (Excluding Angeles City)	1,414,242	9.5%	5.0	\$83	\$55,902
Bulacan	1,852,257	6.0%	3.0	\$91	\$30,369
Tarlac	866,882	10.0%	5.0	\$83	\$36,070
Bataan	499,694	6.0%	3.0	\$91	\$8,193
Nueva Ecija	914,223	5.5%	2.0	\$94	\$9,443
Zambales (Including Olongapo City)	394,641	6.0%	3.0	\$111	\$7,908
NCR 3rd District Manila (Camanava District)	1,322,231	3.5%	1.5	\$111	\$7,728
NCR 2nd District Manila (Eastern Manila District)	1,782,161	3.5%	1.5	\$111	\$10,416
NCR 1st District Manila (Capital District Manila)	596,434	3.5%	1.5	\$111	\$3,486
Pangasinan	176,619	3.5%	1.0	\$85	\$528
Total	10,090,987				\$191,692

Source: The Innovation Group

*Over 21 years of age

The forecasted local segment potential GGR of the local Clark market is presented in the next table.

Table 42: Clark Local Market GGR Forecast

	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Visits (000)	2,154.1	2,215.7	2,175.6	2,467.3	2,308.6	2,567.2	2,331.7	2,592.9	2,355.0	2,618.8
WPV (US\$)	\$84	\$85	\$88	\$90	\$90	\$92	\$92	\$94	\$93	\$95
GGR (US\$ Thousands)	\$180,756	\$188,983	\$191,692	\$222,012	\$207,479	\$235,624	\$213,744	\$242,740	\$218,041	\$247,619

Source: The Innovation Group

Base Tourism Market

The base tourism segment is a function of the existing tourism market to the Clark. It includes a capture of general international tourists and domestic Filipino travelers who are not induced by gaming facilities but decide to visit a casino for leisure and entertainment purposes. As described previously, Clark has experienced a strong rebound in tourism from pandemic lows. In 2024, we estimate Clark welcomed nearly 3.3 million gaming eligible tourists.

Table 43: 2023 Base Tourism to Capture for Clark Gaming Market

Market	2022	2023	2024	% Over 21 Years of Age	2024 Base Tourism Gamer Population
Domestic Tourism	2,032,394	2,243,546	2,718,078	82.0%	2,228,824
Korea	84,822	243,574	271,920	82.0%	222,975
China	134,539	189,602	211,667	82.0%	173,567
USA	87,248	150,583	168,108	82.0%	137,849
Australia	6,471	12,149	13,563	82.0%	11,122
Japan	7,118	8,061	8,999	82.0%	7,379
Rest of World	219,037	564,250	629,916	82.0%	516,531
Total	2,571,629	3,411,765	4,022,251	82.0%	3,298,246

Source: The Innovation Group

Source: Clark Development Corporation, The Innovation Group

To determine the growth for each country/region of origin, we utilized historical outbound tourism statistics compiled by the World Bank to assume a stabilized growth rate. Based on the pre-COVID tourism trends in Clark, discussed previously in this report, as well as the estimated growth rates, The Innovation Group forecasted the following tourism arrivals to Clark, where the overall base tourism is estimated to increase by a CAGR of approximately 4.9% from 2024 to 2029.

Table 44: Forecast of Total Visitors (000s)

Country of Origin	2024	2025	2026	2027	2028	2029	CAGR 2024-2029
Domestic	2,718	2,840	2,919	2,999	3,082	3,167	3.1%
Korea	272	371	439	485	535	591	16.8%
China	212	265	298	312	327	343	10.2%
USA	168	202	222	237	254	272	10.1%
Australia	14	18	18	19	20	21	9.1%
Japan	9	13	17	17	18	18	15.2%
Rest of World	630	642	655	668	682	695	2.0%
Total	4,022	4,351	4,568	4,738	4,918	5,108	4.9%

Source: Clark Development Corporation, The Innovation Group

The base tourism data above is used to calculate the total base tourism gaming revenue in the Clark market by establishing propensities and win per visit.

Our propensity projections are based on trends in other markets which show that, where the main purpose of a tourist's visit is not gaming related, propensities tend to range between 5% and 18%. The distance to country calculation is based on actual flight travel times for flights arriving to the Philippines from various countries. This methodology was used under the assumption that tourists traveling longer distances tend to stay longer than those from closer distances, and therefore have more time to frequent the gaming establishment. Once distance is established, a factor is calculated to create a premium or discount to the base propensity. Additional items that factor into total visitation to the gaming venue include whether the country has established gaming venues nearby, and the desire of the individuals in that country to gamble.

Average WPV is based on comparable actuals results within gaming markets. This number was also triangulated across markets based on the current level of tourism spending compared to the global average, with an estimated growth rate based on GDP per capita growth for each country.

The gaming metrics (propensity, frequency, and win per visit figures) were then applied to the projected base tourism visits to calculate the total gaming revenue derived from the base tourism segment. The following table shows the calculations for base tourism market segment in 2026.

Table 45: Clark Base Tourism Market GGR Baseline Calculation

Country of Origin	Gaming Eligible Visitors (000)*	Base Tourist Propensity	Base Tourist Frequency	WPV (\$)	Base Tourism Market Revenue (\$000)
Domestic Tourism	2,393	7.5%	1.3	\$145	\$32,514
Korea	360	15.0%	2.2	\$488	\$57,925
China	244	15.0%	2.2	\$551	\$44,409
USA	182	6.0%	1.4	\$350	\$5,348
Australia	15	7.7%	1.4	\$437	\$712
Japan	14	14.0%	1.6	\$587	\$1,818
Rest of World	537	8.0%	1.5	\$299	\$19,294
Total	3,746				\$162,020

Source: The Innovation Group

*Over 21 years of age

The following table provides the potential of the base tourism gaming segment from 2025 to 2029.

Table 46: Clark Base Tourism Market GGR Forecast

	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Visits (000)	471.5	508.2	508.2	603.6	571.2	633.2	599.8	664.9	617.8	691.5
WPV (US\$)	\$295	\$299	\$319	\$323	\$334	\$340	\$350	\$358	\$363	\$372
GGR (US\$ Thousands)	\$139,064	\$152,101	\$162,020	\$195,255	\$190,653	\$215,471	\$209,644	\$238,024	\$224,571	\$257,446

Source: The Innovation Group

Induced Tourism Market

The induced tourism segment consists of gaming patrons from major base tourism countries of origin who have come to the area primarily for the purpose of casino gaming. This group is incremental to the base tourism segment that was discussed above but is still within the same current tourist markets.

As this group is incremental to the base tourism segment, we calculated the incremental portion of visitation by reviewing other markets that experienced a similar situation of the introduction of a major, differentiated gaming resort (or resorts) into the market. These markets included Singapore, Macau, and the Philippines (after the introduction of Resorts World Manila, arguably the first integrated resort in the country). These markets were chosen because 1) they experienced additions of resort gaming facilities that created positive changes for the gaming and tourist markets; 2) they provided detailed data points by tourist country of origin; and 3) the gaming database information available allowed for analysis on the impacts at a more granular level. We reviewed how tourism from different countries of origin grew from the years prior to the expansion to the growth of the same countries of origin after. The result of this process was the “Induced Growth Ratio” that was used to project the growth in the market in this tourist segment.

Utilizing a similar methodology, we also calculated the subsequent growth rates in tourism in these same markets after the expanded gaming operations to determine the “post induced growth ratio.”

To calculate the total incremental induced growth rate, the induced growth ratio described above is simply multiplied by the existing base tourism growth rate.

WPV was calculated similarly to the base tourist win per visit and is based on historic WPV of comparable gaming markets around the globe. Average household incomes and GDP per capita were metrics that were used to adjust the WPV by market. The growth was established utilizing the historical growth in GDP per capita for each country analyzed.

Table 47: Calculation of Incremental Induced Rate

Country	A. Stabilized Tourism Growth Rate	B. Ratio of Induced Growth	C. Total Incremental Induced Rate	D. Post Induced Growth Ratio	E. Post Induced Growth Rate
Domestic Tourism	2.8%	0.03	0.1%	4.40	12.1%
Korea	10.4%	0.21	2.2%	2.29	23.9%
China	4.9%	0.16	0.8%	2.71	13.2%
USA	7.0%	0.09	0.6%	3.08	21.6%
Australia	4.4%	0.41	1.8%	3.66	16.0%
Japan	2.7%	0.14	0.4%	5.47	14.9%
Rest of World	2.0%	0.10	0.2%	5.11	10.2%

Source: The Innovation Group
Calculation = A x B=C & A x D=E

The following table illustrates the build up to induced tourism gamers in Clark for 2025, based on the total incremental induced rate calculated above.

Table 48: Calculation of Induced Tourism Visits to Clark – 2025

Country of Origin	Year 2025 Base Tourists 21+	Total Incremental Induced Rate	2025 Induced Tourists	Frequency	2025 Induced Gamer Visits
Domestic Tourism	2,329,121	0.1%	1,880	2.4	4,511
Korea	304,353	2.2%	6,547	2.4	15,714
China	216,959	0.8%	1,739	1.6	2,782
USA	165,418	0.6%	1,068	1.9	2,028
Australia	14,459	1.8%	256	2.4	616
Japan	11,069	0.4%	42	1.6	67
Rest of World	526,816	0.2%	1,035	1.6	1,656
Total	3,568,194		12,567		27,374

Source: The Innovation Group

With the induced tourism projections, the following table illustrates the calculation for the induced tourism GGR in the initial year of the forecast period (2025).

Table 49: Calculation of Induced Tourism GGR Baseline – 2025

Country of Origin	2025 Induced Gamer Visits	Blended Win per Visit (\$)	Induced Base Market Gaming Revenue (\$000)
Domestic Tourism	4,511	\$408	\$1,840
Korea	15,714	\$1,453	\$22,837
China	2,782	\$1,674	\$4,659
USA	2,028	\$1,098	\$2,228
Australia	616	\$1,355	\$834
Japan	67	\$1,727	\$116
Rest of World	1,656	\$886	\$1,468
Total	27,374		\$33,981

Source: The Innovation Group

The following table displays the calculation which applies the post-induced growth rate in determining induced tourism GGR revenue in year 2 of the forecast scope.

Table 50: Calculation of Induced Tourism GGR Baseline – 2026

Country of Origin	2025 Induced Gamer Visits	Post-Induced Growth Rate	2026 Induced Gamer Visits	Blended Win per Visit (\$)	Induced Base Market Gaming Revenue (\$000)
Domestic Tourism	4,511	12.1%	5,058	\$428	\$2,167
Korea	15,714	23.9%	19,469	\$1,526	\$29,710
China	2,782	13.2%	3,150	\$1,758	\$5,538
USA	2,028	21.6%	2,466	\$1,153	\$2,844
Australia	616	16.0%	714	\$1,422	\$1,016
Japan	67	14.9%	77	\$1,814	\$140
Rest of World	1,656	10.2%	1,825	\$930	\$1,699
Total	27,374		32,760		\$43,112.6

Source: The Innovation Group

The forecasted performance of the induced tourism gaming segment for 2025 to 2029 is summarized in the table below.

Table 51: Clark Induced Tourism Market GGR Forecast

	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Visits (000)	27.4	39.8	32.8	43.5	35.7	52.3	39.0	63.1	41.0	69.4
WPV (US\$)	\$1,241	\$1,247	\$1,316	\$1,324	\$1,395	\$1,405	\$1,477	\$1,490	\$1,558	\$1,565
GGR (US\$ Thousands)	\$33,981	\$49,630	\$43,113	\$57,546	\$49,807	\$73,500	\$57,630	\$94,002	\$63,839	\$108,573

Source: The Innovation Group

VIP Gaming Market

Globally, the VIP category is constantly being redefined, but by any measure this category will represent the very highest value players in the region. This segment includes both typical junket

or “rolling-chip” VIP players and high-end players who have been placed on a rolling commission program by the casino management or recruited through the international marketing initiatives. The typical casino win from these players is usually US\$10,000 per day or above. While daily casino win per player from these two subsegments may appear close to each other, the in-house direct channel usually yields a higher profit margin due to saving from commissions and other incentive expenses paid to intermediate agents.

To assess the VIP gaming market potential, The Innovation Group utilized our proprietary Global VIP Gaming Trip Allocation Model to simulate distributed VIP trips for Clark and Hann Resort. The model employs the principle of distance and attraction factors to allocate potential VIP trips on a global basis.

We first calibrated the VIP visitation/trips, GGR, and WPV for the key VIP markets in the region (such as Macau, Singapore, Philippines, Korea, etc.) by country of origin. These metrics are based on the actual database statistics we have accumulated in many markets and through our wide network of market experts who provided best possible estimates of many VIP markets. Utilizing the calibrated model, we projected the demand for future years and took into consideration changes in outbound visitation and wealth distribution, access to markets, and updates in supply of new resorts. These factors reflect current market dynamics and trends of VIP volume. The expansion and improvement to resort quality in the emerging markets were also taken into consideration.

In addition to growing the position counts and adding in new market components, we also assumed growth in win per visit to weigh in inflation and the growth of wealth in developing countries. The Innovation Group examined the forecasted GDP growth figures provided by the International Monetary Fund (IMF) to establish the growth of WPV figures. Countries were divided into A, B, C and D tiers based upon forecasted GDP growth. The following table shows the growth tiers which each feeder market belongs to.

Table 52: Feeder Market Growth Tier

Market	Growth Tier	Market	Growth Tier
China - Beijing	B	Russia	C
China - Shanghai	B	Scandinavia	C
China - Other Provinces	B	Singapore	C
Australia	C	Taiwan	C
Brazil	C	Thailand	B
Canada	C	United Arab Emirates	A
Germany	D	United States	C
Great Britain	C	Additional South American Countries	B
India	A	Additional Middle East	D
Japan	C	Additional Western Europe	D
Korea	C	Additional Eastern Europe	B
Philippines	A	Additional African Countries	B
Portugal	C	Additional Western and Central Asia	A

Source: The Innovation Group

The forecasted GDP growth and estimated win per visit growth for each tier, in light of the recent market trends discussed earlier in this report, are presented in the following table.

Table 53: VIP WPV Growth by Tier

Tier	Forecast GDP Growth	Estimated WPV Growth
A	5% and above	4.00%
B	3%-5%	2.50%
C	1%-3%	1.50%
D	0%-1%	0.35%

Source: The Innovation Group

We also assumed growth in the VIP visitation rate to represent increased gaming propensity. Due to growing availability of high quality gaming products and the increase in wealth, especially in developing countries, the growth of VIP visitation rate was also tiered based upon GDP and segmented into A, B, C, and D tiers. The following chart displays each tier's visitation rate growth.

Table 54: VIP Visitation Growth by Tier

Tier	Forecast GDP Growth	Estimated Visitation Growth
A	5% and above	3.50%
B	3%-5%	2.00%
C	1%-3%	0.80%
D	0%-1%	0.15%

Source: The Innovation Group

The model's outcome shows that approximately US\$142.7 million in VIP GGR can be generated by a total of 5,637 VIP gaming trips in year 3 of the forecast period. The following table provides the forecasted VIP market GGR for 2025 to 2029.

Table 55: Clark Induced VIP Market GGR Forecast

	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Visits (000)	5.1	5.4	5.4	5.9	5.6	6.8	5.9	7.6	6.1	8.0
WPV (US\$)	\$24,322	\$24,322	\$24,809	\$24,809	\$25,305	\$25,305	\$25,811	\$25,811	\$26,327	\$26,327
GGR (US\$ Thousands)	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595

Source: The Innovation Group

Total Revenue Summary

The following table summarizes the GGR for land-based casino gaming in Clark by gamer segment.

Table 56: Clark Casino Gaming GGR Forecast

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Local Gaming	\$180,756	\$188,983	\$191,692	\$222,012	\$207,479	\$235,624	\$213,744	\$242,740	\$218,041	\$247,619
Base Tourism	\$139,064	\$152,101	\$162,020	\$195,255	\$190,653	\$215,471	\$209,644	\$238,024	\$224,571	\$257,446
Induced Tourism	\$33,981	\$49,630	\$43,113	\$57,546	\$49,807	\$73,500	\$57,630	\$94,002	\$63,839	\$108,573
VIP	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595
Total	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

The following table summarizes The Innovation Group's forecast for the Clark market by non-high rollers (mass) and high rollers (VIP).

Table 57: Clark Casino Gaming GGR Forecast – Gamer Level

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Non-High Rollers	\$353,802	\$390,714	\$396,825	\$474,813	\$447,939	\$524,595	\$481,019	\$574,766	\$506,451	\$613,638
High Rollers	\$123,894	\$132,153	\$133,196	\$146,086	\$142,653	\$171,358	\$152,781	\$196,634	\$160,512	\$210,595
Total	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

Segmenting our forecasts further, the following table displays Clark GGR segmented by non-high rollers (mass) and high rollers (VIP) table revenue as well as electronic gaming machine revenue by gamer segment. In total, we forecast revenue to be split approximately 60%/40% between table games and electronic gaming machines. This revenue mix estimate is based on the Client's historical performance as well as our observations within the market.

Table 58: Clark Casino Gaming GGR Forecast – Game Type

(in US\$ Thousands)	2025		2026		2027		2028		2029	
	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive	Base	Aggressive
Non-High Roller Tables	\$176,901	\$195,357	\$198,412	\$237,406	\$223,969	\$262,298	\$240,509	\$287,383	\$253,226	\$306,819
High Roller Tables	\$117,699	\$125,546	\$126,536	\$138,781	\$135,520	\$162,790	\$145,142	\$186,802	\$152,486	\$200,065
EGMs	\$183,095	\$201,965	\$205,072	\$244,711	\$231,102	\$270,865	\$248,148	\$297,215	\$261,251	\$317,349
Total Clark Market	\$477,695	\$522,867	\$530,021	\$620,898	\$590,591	\$695,954	\$633,799	\$771,400	\$666,963	\$824,233

Source: The Innovation Group

Market Share of Hann Resort

Hann Resort is the currently the premier gaming resort in the Clark market. We based our market share estimates for the property's capture of total GGR on their historical market share capture and estimated their respective penetration of each gamer segment in the market. The actual penetration in each gaming segment usually deviates from total market share in that the casino can be either

more competitive or less competitive than other properties in any particular market segment because of pricing point, access, customer perception, or cultural preference among other factors. Various other factors include level of competition, capital improvement plans, or property expansions among others.

Based on data provided by the Client, in 2024 Hann Resort's total market share of total Clark land-based casino GGR was 47.3%. We note that as of March 31, 2025, Hann Resort's reported market share of the Clark land-based casino market was 48.2%. Hann Resort is expected to penetrate higher than the 2024 achieved market share in mass gaming segments 2025 and beyond— this is based on the property's superior market positioning for mass players, robust marketing efforts, and high-quality facilities and service level relative to the competition. Moreover, based on conversations with the Client, it is our understanding that less emphasis is placed on VIP gaming given the high costs associated with this gaming segment. We forecast Hann Resort's market share to increase significantly across all gamer segments in 2027 as we expect the resort's first expansion to be operational in 2026 and stabilize in 2027. Finally, we believe Hann's planned golf courses opening during our forecast period will increase induced tourism to the market as well as Hann's capture of this segment.

IGAMING MARKET AND IMPACT ANALYSIS

iGaming Globally

The following section discusses the international online casino landscape and details leading global online casino markets including the US, Japan, Denmark, Canada, and the UK.

Worldwide Online Casino Landscape

The global online gambling market has grown substantially, reaching US\$89.8 billion in gross gaming revenue as of 2023. The United States leads with US\$19.4 billion (21.6% of global revenue), followed by Japan at US\$12.1 billion (13.5%) and the United Kingdom at US\$11.7 billion (13.0%). These top three markets account for nearly 50% of global online gambling revenue.

The top 10 online gambling nations generate 75% of worldwide revenue, with each market exceeding US\$1.8 billion in annual gross win. Notable regional concentrations include strong representation from Asia-Pacific (Japan, India, Australia) and Europe (UK, Russia, Italy, France).

Emerging markets like India (ranked 9th with US\$2.3 billion) highlight the global expansion of online gambling, while established regulatory frameworks in markets like the UK and Italy demonstrate the potential for mature, regulated markets. The remaining 25% of global revenue is distributed across all other nations, indicating significant potential for growth in developing markets.

Please note that the figures in the following tables do not include offshore online casino operators—operators domiciled and regulated in a foreign country, such as Malta, and taking wagers from countries without specific legislation forbidding such wagers. The table below represents online gaming spend that takes place within the indicated country by its own residents.

Table 59: 2023 Onshore iGaming Win by Country, Ranked

Rank	Nation	Gross Win (US\$ Billions)	% of Global Total	Cumulative % of Global Total
1	United States	19.4	21.6%	21.6%
2	Japan	12.1	13.5%	35.1%
3	United Kingdom	11.7	13.0%	48.1%
4	Australia	5.0	5.6%	53.6%
5	Italy	4.9	5.5%	59.1%
6	Russia	4.6	5.2%	64.3%
7	France	3.4	3.8%	68.1%
8	Canada	2.4	2.7%	70.8%
9	India	2.3	2.5%	73.3%
10	Sweden	1.8	2.0%	75.3%
	Rest of World	22.2	24.7%	-
	Total	89.8	-	-

Source: H2 Gambling Capital

To understand the global online gambling landscape and its likely future trajectory, we examine five key markets that illustrate different regulatory approaches and market outcomes. The United States and Japan represent the two largest markets globally, each with distinct regulatory frameworks - the US with its state-by-state approach and Japan with its racing-focused monopoly. The United Kingdom, as the third-largest market, demonstrates the impact of long-term, comprehensive regulation. Denmark serves as a model for successful market liberalization with strong consumer protections, while Canada showcases the evolution from provincial monopolies to competitive markets through its recent Ontario privatization. Together, these markets provide insights into various regulatory models and their effects on market development, consumer protection, and revenue generation. We review each market in the following section.

United States

The US online gambling market has evolved along two distinct trajectories due to different regulatory frameworks for sports betting and casino gaming. This has resulted in widespread adoption of sports betting (37 states and Washington DC) compared to limited iCasino expansion (eight states including Nevada's poker-only market). The contrasting regulatory environments have shaped not only the geographic footprint of these verticals but also their revenue potential, competitive dynamics, and tax structures. We review both market verticals in the following section.

iCasino

The US iCasino market has experienced remarkable growth since its inception, with total gross gaming revenue (GGR) reaching over US\$8 billion in 2024. What started with Delaware and New Jersey in 2013 has expanded to include seven operational states (Connecticut, Delaware, Michigan, Nevada, New Jersey, Pennsylvania, and West Virginia) plus Rhode Island, which launched in March 2024. Nevada remains limited to online poker only, while other states offer full casino gaming including slots and table games. New Jersey and Michigan lead the market in terms of

revenue per capita among adults 21+, generating US\$268 and US\$253 respectively in 2023, significantly outperforming newer markets like West Virginia (US\$114).

Table 60: US State iCasino Revenue

US\$ Millions	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Connecticut								47.6	280.7	406.2	578.6
Delaware	2.1	1.8	2.9	2.4	2.6	3.6	8.4	10.6	13.6	14.3	51.8
Michigan								1,106.8	1,582.5	1,923.8	2,310.3
Nevada	9.8	6.7	6.4	5.8	5.8	5.6	8.0	5.5	5.5	5.5	5.4
New Jersey	122.9	148.0	196.8	245.6	299.5	482.7	970.3	1,366.9	1,662.7	1,923.8	2,291.2
Pennsylvania						39.2	717.1	1,293.6	1,666.7	2,105.5	2,610.0
Rhode Island											28.8
West Virginia							7.0	56.8	112.0	157.4	211.9
United States Total	134.8	156.5	206.1	253.8	307.9	531.1	1,710.9	3,887.8	5,323.6	6,536.5	8,087.9

Source: H2 Gambling Capital

Market maturity appears to correlate with revenue performance, but not uniformly. Despite being one of the first states to launch, Delaware's revenue per capita remains surprisingly low at US\$20, while Michigan, which launched in 2021, quickly scaled to become one of the highest-performing markets. This suggests that regulatory framework and market structure play crucial roles in market success. States with competitive, multi-operator frameworks (like New Jersey, Michigan, and Pennsylvania) have generally seen stronger performance than those with more restricted models (like Delaware's single-platform approach).

The COVID-19 pandemic served as a catalyst for iGaming growth, but importantly, the market has continued to expand even after land-based casinos reopened. Tax structures vary significantly by state, ranging from New Jersey's 20% to Pennsylvania's differentiated approach of 54% for slots and 16% for table games. This variation in tax rates, combined with differences in competitive landscapes and regulatory requirements, has created natural experiments in market optimization. Several other states, including New York, Illinois, Indiana, and Missouri, are now considering iGaming legislation, suggesting potential for significant market expansion in the coming years.

Online Sports Betting

The US sports betting market has grown explosively since PASPA's repeal in 2018¹², with GGR reaching US\$14.1 billion in 2024 across 37 states plus Washington DC. New York leads revenue generation at US\$2.1 billion in 2024, followed by New Jersey at US\$1.1 billion and Illinois at US\$1.2 billion. Mobile betting dominates, with 31 states currently offering online wagering, though implementation models vary significantly in terms of competition and tax rates.

¹² <https://www.proskauer.com/alert/us-supreme-court-strikes-down-paspa-opening-the-door-to-state-authorized-sports-gambling>

Table 61: US State Sports Betting Revenue

US\$ Millions	2018	2019	2020	2021	2022	2023	2024
Arizona	-	-	-	159.0	478.9	552.5	702.2
Arkansas	-	-	-	-	10.6	31.4	44.4
Colorado	-	-	73.0	249.0	348.9	390.2	489.9
Connecticut	-	-	-	29.5	125.8	163.6	213.0
District of Columbia	-	-	3.5	7.4	7.3	6.0	36.9
Florida	-	-	-	14.9	-	113.9	1,347.7
Illinois	-	-	111.7	498.8	760.3	969.6	1,182.6
Indiana	-	18.0	106.1	256.9	347.4	382.5	461.6
Iowa	-	8.5	27.2	87.2	142.9	180.5	204.4
Kansas	-	-	-	-	73.4	177.0	215.6
Kentucky	-	-	-	-	-	106.3	230.1
Louisiana	-	-	-	-	180.4	331.2	423.9
Maine	-	-	-	-	-	9.2	54.2
Maryland	-	-	-	-	108.2	497.7	617.9
Massachusetts	-	-	-	-	-	473.7	651.1
Michigan	-	-	-	292.2	399.6	420.4	498.2
Nevada	92.5	125.2	117.6	194.3	203.2	240.7	287.3
New Hampshire	-	0.0	21.4	34.4	59.5	67.4	79.0
New Jersey	53.6	243.9	360.0	740.0	722.0	965.6	1,142.5
New York	-	-	-	-	1,356.5	1,689.1	2,075.7
Ohio	-	-	-	-	-	913.7	969.5
Oregon	-	2.9	20.1	15.2	26.9	44.5	57.7
Pennsylvania	-	69.5	240.9	450.5	547.6	643.0	784.1
Rhode Island	-	2.1	10.3	20.3	28.8	30.7	36.9
Tennessee	-	-	27.1	239.8	372.6	443.9	559.7
Virginia	-	-	-	285.9	481.2	553.6	682.6
West Virginia	0.0	5.5	15.6	29.9	41.5	42.2	51.8
Wyoming	-	-	-	4.0	14.8	17.3	22.7
Total Gross Win	146.1	475.6	1,134.5	3,609.1	6,838.4	10,457.6	14,123.5

Source: H2 Gambling Capital

States have adopted diverse regulatory approaches, ranging from highly competitive markets with multiple operators (like Colorado and Indiana) to monopolistic models (like New Hampshire and Rhode Island). Tax rates generally fall below 20%, though notable exceptions include Pennsylvania (34%) and New York (51%). The federal government also imposes a 0.25% excise tax on handle, which translates to roughly 2.5-3% of revenue for major operators like FanDuel and DraftKings given their typical hold rates.

Market performance has varied based on regulatory structure, with competitive, mobile-friendly markets generally showing stronger results. The importance of mobile accessibility is evident in states like New Jersey, where approximately 80% of handle comes through mobile channels. Recent launches in major markets like Ohio, Massachusetts, and Florida have further accelerated industry growth. States continue to refine their approaches to key regulatory issues such as

promotional deductions, official league data requirements, and in-state college betting restrictions, creating a complex but rapidly maturing market landscape.

Japan

Japan's online gambling market is distinctly unique, characterized by a legal monopoly operated by the Japanese Racing Association (JRA) that focuses primarily on racing-related wagering. The JRA offers online betting on horse racing, bicycle racing (Keirin), motorboat racing (Kyotei), and motorcycle racing, with horse racing being the dominant vertical.

Japan's online betting market has grown substantially over the past ten years, from US\$3.6 billion in 2014 to US\$11.4 billion in 2023. The market primarily consists of racing wagering (horse, bicycle, motorboat, and motorcycle), with revenues showing steady growth until 2019 followed by dramatic acceleration during COVID-19, jumping from US\$6.2 billion in 2019 to US\$10 billion in 2020.

Table 62: Japan Online Gaming Revenue (US\$ Millions)

Year	Gross Gaming Revenue
2014	3,587.0
2015	3,925.7
2016	4,348.7
2017	4,878.2
2018	5,396.9
2019	6,203.1
2020	9,963.6
2021	11,219.7
2022	11,071.3
2023	11,407.2

Source: H2 Gambling Capital

Online casino gaming remains prohibited in Japan, though the country has taken steps toward land-based gaming expansion through its Integrated Resort (IR) initiative. While offshore operators historically targeted Japanese customers, government authorities have recently increased enforcement against illegal offshore gambling, with the National Police and Consumer Affairs Agencies issuing explicit warnings in October 2022 about the illegality of using offshore gambling websites.

The market maintains strict controls on gambling addiction, exemplified by the JRA's 2018 implementation of a system allowing families to block relatives from online horse race betting, which was later expanded to other betting products. This reflects Japan's cautious approach to gambling expansion, balancing revenue generation with social responsibility concerns.

Denmark

Denmark began a government-sanctioned online gambling licensing program in 2012, and the regulation that created this program addressed consumer protection. Since the program's inception, the Danish legal online gambling market has consistently experienced year-over-year growth¹³.

While we cannot determine statistically if a causal relationship exists between the online gambling market size and licensing program, the online gambling market experienced rapid revenue growth following regulation. Denmark has no limitation to the number of licenses that can be granted, allowing anyone who fulfils the legal requirements and complies with the Danish Gambling Authority on safety will be granted an online casino license. Only licensed operators may operate within Denmark.

Denmark has a healthy online casino market, and Danske Spil, being first-to-market and offering a strong product, commands a large share of the open market. While the government always has an aligned interest with the operators – after all, it is concerned with gaming tax revenues – the difference between being one operator of many and having a monopoly in the space is large with regard to perceived and real conflicts of interest. Additionally, in sports betting, we see single-operator markets, typically in the form of a lottery sourcing a provider for an entire state, substantially underperforming open market states.

The following table presents Denmark's annual onshore online casino and online sports betting revenues dating back to 2014. Denmark's onshore online casino revenue increased an average of about 14% annually over the ten-year span from 2014 to 2023.

Table 63: Denmark Annual Onshore Online Casino and Landbased Casino Revenue (US\$ Millions)

Year	Online Casino GGR	% Change	Online Sports Betting GGR	% Change	Total	% Change
2014	\$133.2		\$147.0		\$280.21	
2015	\$171.0	28.3%	\$183.4	24.8%	\$354.33	26.5%
2016	\$211.7	23.8%	\$213.5	16.4%	\$425.17	20.0%
2017	\$257.3	21.5%	\$231.4	8.4%	\$488.68	14.9%
2018	\$299.7	16.5%	\$244.5	5.7%	\$544.21	11.4%
2019	\$324.5	8.3%	\$242.3	-0.9%	\$566.80	4.2%
2020	\$337.3	3.9%	\$235.6	-2.8%	\$572.86	1.1%
2021	\$386.2	14.5%	\$258.2	9.6%	\$644.33	12.5%
2022	\$402.1	4.1%	\$236.6	-8.4%	\$638.66	-0.9%
2023	\$426.2	6.0%	\$243.4	2.9%	\$669.55	4.8%
CAGR 2014-2023		13.8%		5.8%		10.2%

Source: H2 Gambling Capital

¹³ Simon Fraser University, Danish Online Gambling Association

Canada

Canada's online gambling market has shown dramatic growth, with combined online casino and sports betting revenue increasing from US\$66.4 million in 2014 to nearly US\$2 billion in 2023 (46% CAGR). While online casino has been the primary driver, growing from US\$61.9 million to US\$1.6 billion over this period (43.5% CAGR), sports betting has shown recent explosive growth, particularly following the 2021 legalization of single-event wagering, jumping from US\$41.8 million in 2022 to US\$396 million in 2023.

Market structure varies considerably by province. British Columbia was the first to enter the online space in 2004 with PlayNow.com, followed by Quebec in 2010 with Espacejeux.com. These platforms later formed a shared poker network with Manitoba, which adopted BC's PlayNow.com platform in 2013. The Atlantic Lottery Corporation serves the maritime provinces, with New Brunswick being the first to offer online casino gaming in 2020, followed by expansion to Prince Edward Island and Nova Scotia in 2022. Alberta joined the online market in 2020 with PlayAlberta, offering both casino games and poker.

A transformative change occurred in August 2021 with the passage of the Safe and Regulated Sports Betting Act, which legalized single-event sports betting nationwide. This replaced the previous requirement for parlay betting (minimum of two events), opening new revenue opportunities across provinces. The legislation passed with strong parliamentary support (303-15 in the House of Commons) and took effect on August 27, 2021.

Current regulatory focus appears to be shifting toward consumer protection, evidenced by proposed federal legislation in June 2024 to restrict sports betting advertising. The regulatory framework maintains distinct provincial characteristics, including varying legal gambling ages (18 in Alberta, Manitoba, and Quebec; 19 in other provinces) and different approaches to market structure, from monopolistic Crown corporations to Ontario's move toward a competitive commercial model.

First Nations gaming remains a point of regulatory complexity, particularly regarding online operations. While First Nations can operate land-based gaming on territorial lands, including VLTs, the extent of their online gaming rights continues to be debated, with the Kahanawake tribe actively licensing and hosting online gambling activities.

The following table illustrates Canadian onshore online casino and land-based casino revenue, according to H2 Gambling Capital. From 2014 to 2023, Canadian online casino revenue increased by nearly 50% annually, while land-based showed modest gains until being crippled by the pandemic. We expect future years to return to pre-pandemic levels, as in the rest of North America.

Table 64: Canadian Onshore Online Casino & Landbased Casino Revenue (US\$ Millions)

Year	Online Casino GGR	% Change	Online Sports Betting GGR	% Change	Total	% Change
2014	\$61.9		\$4.5		\$66.4	
2015	\$73.2	18.3%	\$5.0	10.2%	\$78.1	17.7%
2016	\$119.4	63.2%	\$5.9	19.4%	\$125.3	60.4%
2017	\$140.4	17.6%	\$6.9	15.8%	\$147.3	17.5%
2018	\$171.7	22.3%	\$12.7	84.0%	\$184.3	25.2%
2019	\$211.9	23.4%	\$12.6	-0.1%	\$224.5	21.8%
2020	\$258.0	21.8%	\$13.5	6.5%	\$271.5	20.9%
2021	\$666.9	158.5%	\$18.3	35.6%	\$685.2	152.4%
2022	\$828.8	24.3%	\$41.8	128.7%	\$870.5	27.0%
2023	\$1,600.8	93.2%	\$396.0	848.6%	\$1,996.9	129.4%
CAGR 2014-2023		43.5%	N/A			46%

Source: H2 Gambling Capital

United Kingdom

The UK represents one of the world's most comprehensive and mature online gambling markets, with total online revenue reaching US\$7.5 billion in 2023. Online casino gaming has grown at a 7.9% CAGR since 2014, reaching US\$5.5 billion in 2023, while sports betting has grown at a 5.9% CAGR to US\$2.1 billion. This growth has occurred despite increasingly stringent regulatory requirements focused on consumer protection.

Recent regulatory developments have significantly reshaped the market. In May 2023, the government published its Gambling Act review white paper, introducing several key changes including: maximum online slot stakes of £2 for players 18-24 and £5 for those 25+ (effective September 2024), mandatory affordability checks, and a new statutory levy on operators. From August 2024, operators must conduct financial vulnerability checks on customers depositing over £500 monthly, with this threshold dropping to £150 by February 2025.

The market has also seen significant restrictions on advertising and promotions. The Premier League voted to ban gambling sponsorships on shirts from the 2025-26 season, while the BGC's September 2023 advertising code requires 20% of online advertising to focus on responsible gambling. The Gambling Commission continues to enhance consumer protections, extending regulations on game speed and intensity from slots to all online games effective January 2025.

The industry's response to increased regulation has been proactive, with operators and the BGC implementing voluntary measures ahead of formal requirements. This includes a new interim affordability code requiring enhanced checks for deposits over £25,000 in a rolling 12-month period and assessments for deposits exceeding £5,000 monthly, demonstrating the market's evolution toward a more sustainable regulatory model balancing commercial and consumer protection interests.

Table 65: UK Onshore Online Casino & Landbased Casino Revenue (US\$ Millions)

Year	Online Casino GGR	% Change	Online Sports Betting GGR	% Change	Total	% Change
2014	\$2,751.4		\$1,255.9		\$4,007.3	
2015	\$3,028.5	10.1%	\$1,555.3	23.8%	\$4,583.8	14.4%
2016	\$3,258.3	7.6%	\$1,752.4	12.7%	\$5,010.7	9.3%
2017	\$3,841.1	17.9%	\$1,980.3	13.0%	\$5,821.4	16.2%
2018	\$3,958.3	3.0%	\$2,087.8	5.4%	\$6,046.1	3.9%
2019	\$4,389.8	10.9%	\$2,159.1	3.4%	\$6,548.9	8.3%
2020	\$4,904.9	11.7%	\$2,096.2	-2.9%	\$7,001.2	6.9%
2021	\$5,160.6	5.2%	\$2,200.1	5.0%	\$7,360.7	5.1%
2022	\$5,141.5	-0.4%	\$1,872.2	-14.9%	\$7,013.7	-4.7%
2023	\$5,452.4	6.0%	\$2,096.1	12.0%	\$7,548.5	7.6%
CAGR 2014-2023		7.9%		5.9%		7.3%

Source: H2 Gambling Capital

Other Regional Markets

Regulated online gaming is relatively limited throughout the Asian region. However, there are several markets with regulated online sports betting in the region: Hong Kong, Macau, Taiwan, and Singapore.

Hong Kong represents the region's largest regulated online sports betting market, with revenue reaching US\$4.8 billion in 2023. The market has demonstrated remarkable growth, expanding at a 19.2% CAGR since 2003, when revenue was just US\$76.4 million. This growth has occurred under the Hong Kong Jockey Club's (HKJC) monopoly on both interactive and land-based betting products. Recent developments suggest further expansion, with HKJC proposing new betting options including NBA and Formula 1 to counter rising competition from illegal operators.

The regulatory landscape is evolving, with the HKJC facing increased pressure from both illegal operators and regulatory oversight. A proposed increase in football betting duty from 50% to 65% by the New People's Party in 2023 could significantly impact the market, potentially increasing HKJC's total taxation burden from 60% to 74% of gross win. Additionally, the government implemented a Special Football Betting Duty of HK\$2.4 billion per annum from 2023/24 to 2027/28.

Macau's online sports betting market remains surprisingly modest despite the region's prominence in global gambling, with revenue of US\$31.9 million in 2023 representing just 0.7% of Hong Kong's market size. Growth has been steady but modest, from US\$3.9 million in 2003, reflecting the market's strict regulatory limitations and Macauslot's monopoly position. The regulator has maintained a conservative stance on online expansion, focusing instead on controlling illegal operators and maintaining market integrity.

Singapore and Taiwan represent emerging markets in the region, with both showing strong recent growth. Singapore's market, operational since 2017, has grown from US\$28.9 million to US\$240.3 million in 2023, benefiting from Singapore Pools' regulated monopoly and the establishment of the unified Gambling Regulatory Authority in 2022. Taiwan's market, launched in 2014, has

expanded from US\$6.9 million to US\$162.4 million in 2023, operating through a consortium led by CTBC Bank.

The region's markets share a common characteristic of monopolistic operator models, though their regulatory approaches and market maturity vary significantly. Hong Kong's success demonstrates the potential for regulated monopolies to generate substantial revenue, while Singapore's recent regulatory reforms and Taiwan's market expansion suggest growing opportunities in these emerging markets. Macau's limited online presence, despite its massive land-based gambling market, highlights the impact of regulatory restrictions and market structure on digital gambling development.

Table 66: Asian Online Sports Betting Revenue (US\$ Millions)

Year	Hong Kong	Macau	Taiwan	Singapore
2014	1,416.1	32.5	6.9	-
2015	1,570.3	30.1	11.4	-
2016	1,671.7	30.4	17.3	-
2017	1,999.1	30.5	25.9	-
2018	2,379.7	39.0	47.6	82.2
2019	2,684.2	34.5	53.9	108.8
2020	2,711.0	36.4	57.7	175.0
2021	4,418.4	29.6	92.1	122.5
2022	4,657.7	29.5	156.1	192.3
2023	4,811.5	31.9	162.4	240.3

Source: H2 Gambling Capital

iGaming in the Philippines

Offering iGaming has only been permitted in the Philippines since 2019. PAGCOR issued 60 Philippines Offshore Gaming Operator (“POGO”) licenses to casino operators looking to monetize gaming demand *outside* the Philippines. In July 2024, Philippines President Ferdinand Marcos Jr. announced a complete ban on Philippine POGOs with a targeted implementation by the end of 2024. The decision came following numerous incidents linking POGOs to criminal activities, including scams and violent crimes, with the high-profile case of “POGO Mayor” Alice Guo being a notable catalyst. At that time, PAGCOR was instructed to oversee the wind-down of POGO operations, with provisions made to assist displaced Filipino workers in finding new employment. Importantly, the ban specifically targeted POGOs while leaving PIGOs and legitimate land-based gaming operations unaffected.¹⁴ President Marcos Jr. accelerated the timeline of the ban in November 2024 when he issued Executive Order No. 74, imposing an immediate ban on all POGO operations.¹⁵

E-Sabong, online betting via live-streaming or broadcasting of live cockfights, was regulated by PAGCOR for a number of years prior to the May 2022 order from former President Duterte to suspend all e-Sabong operations in the country. This suspension was extended by current Philippine President, Ferdinand R. Marcos Jr, through an Executive Order signed in December 2022.

In response to the COVID-19 pandemic, PAGCOR began issuing a limited number of Philippines Inland Gaming Operator (“PIGO”) licenses to casinos for the purpose of offering iGaming to local Philippine gamblers. PIGO licenses were issued in 2020 and 2021 to technology provider DFNN, Okada Manila, Solaire Resort & Casino, Resorts World Manila, and City of Dreams Manila. By early 2023, PAGCOR had issued 20 PIGO licenses and, according to the regulator’s website, there are currently over 60 unique PIGO license holders.¹⁶

Market Size

As noted above, there are over 60 unique entities that are licensed by PAGCOR to offer gaming products. As shown in the table below, which presents license holder detail as of November 2024, the types of games currently offered online in the Philippines ranges from eBingo to live streaming traditional casino games. Notably, as of November 2024, only 43 of the 64 license holders offer casino-related games online.

¹⁴ <https://agbrief.com/news/philippines/22/07/2024/philippines-banning-pogos-starting-from-year-end-president/>

¹⁵ https://pco.gov.ph/news_releases/pbbm-orders-immediate-ban-against-all-ph-pogo-operations/

¹⁶ <https://www.pagcor.ph/regulatory/pdf/App%20Kits/List-of-PAGCOR-Accredited-Gaming-System-Administrators-and-Online-Gaming-Platforms-of-Licensed-Casinos.pdf>

Table 67: Philippine iGaming License Holders*

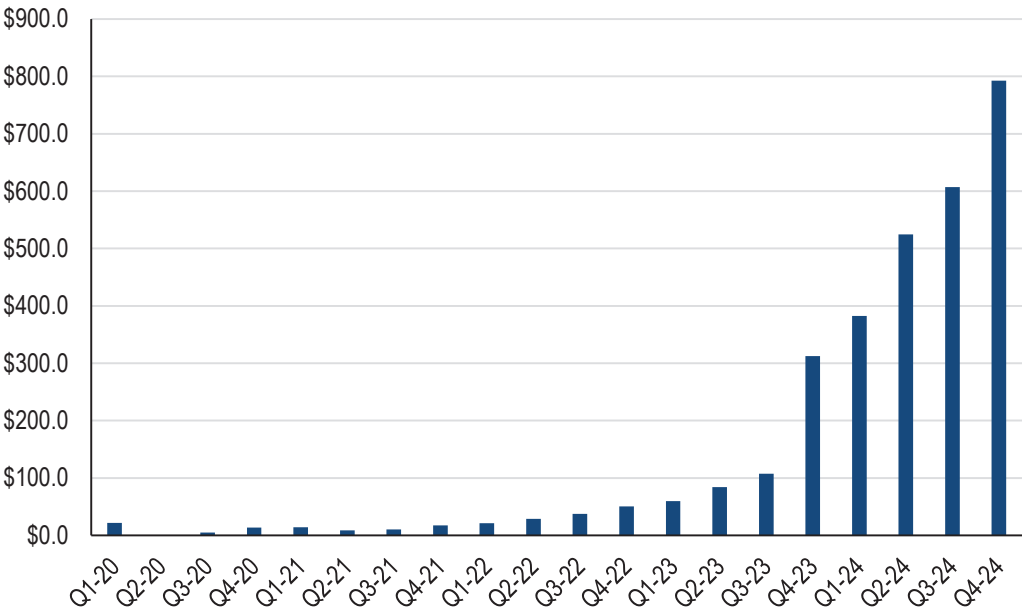
Company	Brand/Online Platform	Game Offerings												Virtual Games	Live Tables	Live Color Games
		Traditional Bingo Games	eCasino Games	eBingo Games	Sports Betting	Specialty Games	Numeric Games	Online Poker	Live Slots	Live Baccarat	ETGs					
AB Leisure Exponent, Inc. (ABLE)	Bingo Plus	x														
Ascend Innovation Technology Corporation (Ascend)	Bling Win		x	x	x	x										
Bet Bingo Philippines Inc. (Bet Bingo)	BetBingo		x	x	x		x									
Bloomberry Resorts and Hotels Inc. (Solaire Resort and Casino)	Solaire Online		x							x	x	x	x			
Blue Phoenix Tech Solutions Corp. (Blue Phoenix)	BIGBUNNY		x	x	x	x		x								
Breddas Inc. (Breddas)	Happybingo.ph; Crazywin		x	x	x	x										
CD Extreme OPC (CD Extreme)	747		x		x	x			x							
Cyber Dot Com Technology Corp. (Cyber Dot)	GamePH; Lucky; King Club; Tongitslok		x		x	x										
DW Technologies Asia Inc. (DW Technologies)	Play Maxx; Casino Maxx		x			x										
Enigma Software Solutions, Inc. (Enigma)	Patokbet		x													
ESAT Pilipinas Teknik, OPC (ESAT)	Happy Play			x	x	x	x									
Gamemaster Integrated, Inc. (GII)	BingoPlus Poker							x								
Gavin Ventures Inc. (GVI)	OKBet		x	x	x	x	x									
Gemini Gaming Management Corporation (GGMC)	HAWKGAMING		x	x	x	x										
Global Play Hub Innovations Corp. (Global Play)	SwerteGame		x	x	x	x		x								
GLOBALX Digital Corporation (GLOBALX)	KARERA LIVE					x										
Glowlight Corporation (Glowlight)	SS Arena		x	x	x											
Good Games Solutions Pilipinas Inc. (GGSPI)	GGPOKER								x							
GoTech Entertainment Inc. (GEI)	Fibet		x	x	x	x										
Grey Goose Casino Gaming Corporation (Grey Goose)	PSB8		x													
Helian International Corporation (Helian)	Piso Game		x	x	x	x										
H&H Gaming Solutions Group Inc. (H&H)	R-Live								x							
HHR Philippines, Inc. (HPI)	Buenas		x													
IGO Digital High Technology Inc. (IGO)	IGO		x	x	x	x	x									
Infinitech Digital Gaming Corporation (IDGC)	Sports Plus		x		x											
Inter-active Entertainment Solutions Technologies, Inc. (IEST)	InstaWin / Inplay		x					x								
Jade Entertainment and Gaming Technologies Inc. (Jade)	Jade Sportsbet (Play Maxx: Sports Maxx)				x											
Kirschner Games International, Inc. (KGI)	Fastwin		x	x												
Large-Hub Mind Recreation, Incorporated (Large-Hub)	Bethub		x		x	x										
Las Casas Gaming, Inc. (LCGI)	GameX							x								
Legend Link Gaming Technology, Inc. (Legend Link)	Legend Link		x	x	x	x										
Lucky Taya Gaming Corporation (LTGC)	Lucky Taya				x											
Megabet Corp. (Megabet)	9D		x		x	x	x									
Memo Multinational Corp. (MMC)	FDM E-Motion	x	x		x	x										
Meta Interactive Software Solutions Inc. (MISSI)	123go; 123Live				x											
NEMO Interactive Group Corporation (NEMO-IGC)	Fairplay Arionplay		x		x	x		x								
Nextstage Entertainment Inc. (NEI)	ANIBET				x											
One Viseya Gaming Corporation (OVGC)	Bgwin29		x	x	x	x	x									
Orient Capital Ventures Inc. (OCVI)	MegaSportsWorld (MSW)				x											
PhilWeb Corporation (PhilWeb)	eGames (eSports Bet)		x		x											
Playmate Leisure Solutions Corp. (Playmate)	PlayTime		x	x	x	x	x									
Premier Online Digital Entertainment Corporation (Premier Online)	NuSTAR	x	x	x	x	x	x									
Pure Luck Gaming Corporation (PLGC)	SukoBet		x	x	x	x										
RAC Phil Corp. (RAC)	LakWin		x	x	x	x										
Red Fu Entertainment Technologies Corp. (Red Fu)	Deskgame		x	x	x	x										
Sandbox Entertainment Corp. (Sandbox)	Winzir		x	x	x				x							
Silver Goose 8 International, Inc. (SGI)	SG8		x		x											
Skybet Gaming Corporation (Skybet)	B Sports		x													
Total Gamezone Xtreme Incorporated (TGXI)	Arena Plus		x	x	x	x										
Triple Diamond Gaming Incorporated (TDGI)	Fiesta Fruit Game: Apple to Apple					x										
Trojans Well Entertainment Corp. (TWECC)	Bet88		x	x	x				x							
Webzoid System Solutions Corporation (Webzoid)	Go Play Asia		x			x										
World Platinum Technologies, Inc. (WPTI)	King Casino		x	x	x	x										
BB International Leisure and Resort Development Corporation (Midori Clark Casino)	Midori Online									x						
Donggwang Clark Corporation (D Heights Resort and Casino Clark)	D Heights Online									x					x	
Eastbay Resorts, Inc. (Thunderbird Resorts & Casino - Rizal)	Thunderbird Rizal Online Casino															
Hann Philippines, Inc. (Hann Casino Resort)	Hann Live Online													x		
Marina Square Properties Inc. and New Coast Leisure, Inc. (Lavie Resort and Casino Manila)	Lavie									x						
MJC Investments Corp. (Winford Manila Resort and Casino)	Winford									x						
Slotenberg Leisure Park and Hotel Corporation (Casino Plus)	Casino Plus Perya Plus									x	x		x			x
Tiger Resort, Leisure and Entertainment, Inc. (Okada Manila Resort Casino)	Okada Online Casino		x	x	x	x				x	x			x		
Thunderbird Pilipinas Hotels & Resorts Inc.	Thunderbird Online Poro Casino									x						
Travellers International Hotel Group, Inc. (Newport World Resorts)	Newport World Casino									x	x					
Universal Hotels and Resorts, Inc.	Casino Maxx													x		
Total License Holders		3	43	28	40	29	9	6	10	4	1	2	5	1		

Source: PAGCOR

*As of November 2024

While PAGCOR reports GGR data for iGaming as “Electronic Games” revenue, it does not break out revenue by game type. At face value, the data reported by PAGCOR shows tremendous growth for online gaming. Online gaming GGR for the fourth quarter of 2024 reached nearly US\$800.0 million and over US\$2.3 billion for the full year. On an annual basis, iGaming revenue has increased by a staggering compound annual growth rate (CAGR) 174% since 2020.

Figure 15: Philippine Quarterly Online Gaming Revenue (US\$ Millions)



Source: PAGCOR

Analyzing trends by game type underlying this strong overall online gaming growth in the Philippines reveals that it may be driven largely by online bingo games. The success of DigiPlus’ (which is licensed as AB Leisure Equipment) Bingo Plus platform has been widely publicized. The company reported 2024 revenue at over US\$1.3 billion. Assuming this is all online revenue, DigiPlus accounted for over 55.0% of the entire Philippines online market.

Again, while GGR figures for eCasino and other casino-related online games are not publicly available, The Innovation Group’s channel checks suggest that GGR-levels are significantly less than those achieved by online bingo products.

Regulatory Overview

PAGCOR serves as the primary regulatory body overseeing both land-based and online gaming operations in the Philippines. Established under Presidential Decree 1869, until its privatization process is complete, PAGCOR has the dual role of operator and regulator of gaming activities in the country.

In recent years and prior to the ban of POGOs in the country, the Philippines developed two distinct frameworks for online gaming:

- POGO (Philippine Offshore Gaming Operators): Licensed to serve foreign markets exclusively; and
- PIGO (Philippine Inland Gaming Operators): Licensed to serve the domestic market.

POGO Ban

As noted earlier in this report, In July 2024, Philippines President Ferdinand Marcos Jr. announced a complete ban on Philippine POGOs with a targeted implementation by the end of 2024. The decision came following numerous incidents linking POGOs to criminal activities, including scams and violent crimes, with the high-profile case of "POGO Mayor" Alice Guo being a notable catalyst. At that time, PAGCOR was instructed to oversee the wind-down of POGO operations, with provisions made to assist displaced Filipino workers in finding new employment. Importantly, the ban specifically targeted POGOs while leaving PIGOs and legitimate land-based gaming operations unaffected.¹⁷ President Marcos Jr. accelerated the timeline of the ban in November 2024 when he issued Executive Order No. 74, imposing an immediate ban on all POGO operations.

PIGO Operations and Regulations

PIGOs were introduced in 2020 as a direct response to the COVID-19 pandemic and the growing need to regulate domestic online gaming activities. Under the PIGO framework, only existing licensed land-based casinos or gaming operators are eligible to participate, ensuring that operators have an established track record and existing relationship with PAGCOR. These operators must maintain physical gaming premises within the Philippines, serving as a tangible connection between their online and land-based operations.

The regulatory framework implements strict controls on player participation. Operators can only accept bets from registered players who are physically located within Philippine territory, and all players must be at least 21 years old. This requirement is enforced through robust Know Your Customer ("KYC") protocols and Anti-Money Laundering ("AML") procedures that operators must implement and maintain throughout their operations.

¹⁷ <https://agbrief.com/news/philippines/22/07/2024/philippines-banning-pogos-starting-from-year-end-president/>

From a technical standpoint, PIGO operators face significant requirements to ensure compliance and maintain operational integrity. They must utilize gaming platforms that have received explicit approval from PAGCOR and implement sophisticated geolocation technology to verify that players are physically within Philippine territory when accessing their services. These systems must be connected to PAGCOR's monitoring infrastructure, enabling real-time oversight of gaming activities. Regular external audits of both gaming systems and financial transactions are mandatory, ensuring ongoing compliance and operational transparency.

The financial framework for PIGO operations is equally comprehensive. Operators must maintain secure payment processing systems that comply with regulations set forth by the Bangko Sentral ng Pilipinas (BSP). This includes managing license application and renewal fees, participating in revenue sharing arrangements with PAGCOR, and submitting regular financial statements and audit reports. Additionally, operators must maintain specified capital and liquidity ratios to ensure financial stability and protect player funds.

Beyond the core operational requirements, PIGO licensees must integrate their systems with PAGCOR's centralized monitoring and control infrastructure. This integration enables comprehensive oversight of all gaming activities and ensures immediate detection of any compliance violations or suspicious activities. The system also facilitates the implementation of responsible gaming measures, including self-exclusion programs and betting limits, while providing a mechanism for regulatory reporting and player protection measures.

The future of online gaming regulation in the Philippines will likely continue to evolve, with increased focus on player protection, technological advancement, and sustainable industry development. Operators must remain adaptable and committed to maintaining high standards of compliance and operational excellence.

Implication of Potential Regulatory Changes

From a regulatory standpoint specifically related to PIGO operations, ignoring any potential for an outright ban of PIGO operations—which we do not believe is a likely outcome—The Innovation Group views PAGCOR's licensing of PIGO operators as the key near-term potential regulatory change that could impact Hann's ability to capture share of the growing online casino market in the Philippines. In short, if PAGCOR continues to issue PIGO licenses we believe this will lower Hann's fair share of the online gaming market and, with more competition, hamper its ability to capture a meaningful share on the online gaming market. Conversely, if PAGCOR places a moratorium on new PIGO licenses and limits new competition for Hann and the other PIGO operators in the country, the company will have a stronger likelihood of capturing more of the online gaming market in the Philippines.

iGaming Market Forecast

In this section we develop forecasts for the online casino and online sports betting markets in the Philippines.

Methodology

To project iGaming revenue in the Philippines, we conducted a comparative analysis using New Jersey as our primary benchmark, as it represents the most developed iGaming market in a jurisdiction with substantial brick-and-mortar casino operations. New Jersey's combined iGaming and online sports betting revenue demonstrated remarkable growth, increasing from approximately US\$483.1 million in 2019 to US\$1.9 billion in 2023. This growth translates to an increase in revenue per adult from roughly US\$134 to US\$253, based on New Jersey's adult population of approximately 7.3 million. However, it's important to note that New Jersey's online gaming market is showing signs of maturation, and we anticipate more moderate growth rates in the coming years.

To estimate the market opportunity for iGaming and online sports betting in the Philippines, we look at New Jersey's market and adjust win per adult by the difference in GDP per capita as well as average annual household incomes. Using these adjustment factors, we estimate total GGR for a mature iGaming market in the Philippines to be between US\$438.9 million and US\$1.1 billion. We note that this estimate assumes open play within the market, successful repatriation of Philippine citizen offshore iGaming to PIGO operators, and successful mitigation of illegal online gaming operators.

Table 68: Philippines iGaming Forecast

US GDP Per Capita 2023	\$82,769
Philippines GDP Per Capita 2023	\$3,805
GDP Per Capita - Multiplier	0.046
US AAHHI 2023	\$107,008
Philippines AAHHI 2023	\$6,358
AAHHI - Multiplier	0.059
iGaming	
NJ Approx Win Per Adult 2019	\$133.66
NJ Approx Win Per Adult 2023	\$253.16
Range of Philippines Win Per Adult	US\$6.13 - US\$15.04
Approximate Philippines Adult Population	71.6 million
Total Range of Philippines iGaming Revenue	US\$438.9M - US\$1.1B
Source: The Innovation Group	

Given Hann’s potential online partnership it’s potential ability to convert land-based gamers at its resort to online gamers, we believe there is potential for the operator to capture greater than its fair share of relevant online gaming revenue.

Impact of iGaming on Hann’s Land Based Gaming

This section examines the potential impact of iGaming on land-based casino revenue as Hann Resort through comparative analysis of U.S. markets. To ensure accurate impact assessment while controlling for external economic factors, we developed a comprehensive analytical framework comparing casino performance between 2019 and 2023. These years were strategically chosen to capture market dynamics before and after significant iGaming adoption, encompassing the COVID-19 pandemic period during which iGaming experienced substantial growth. For context, New Jersey's iGaming revenue increased from US\$483.0 million in 2019 to US\$1.4 billion in 2021. To validate our findings, we tested multiple alternative base years before 2019 and comparison years from 2021-2023, consistently obtaining similar results.

To establish a robust control group, we identified U.S. states without iGaming that met specific criteria, focusing on stable gaming markets without significant changes in land-based casino presence. We note that for the purposes of this section, we use iGaming to refer only to iCasino gaming, excluding online sports betting. We excluded Nevada from the analysis due to its unique tourism-driven market dynamics, and we omitted markets dominated by tribal gaming operations where revenue data is not publicly reported. The selection of multiple control states helped minimize the impact of state-specific anomalies on our findings. This approach ensures that our comparison group provides a reliable baseline for assessing iGaming's impact.

Our methodology incorporates key adjustments to isolate iGaming's specific impact through normalization of revenue data against state-level GDP growth and population changes. The GDP adjustment accounts for natural market expansion due to economic development, while population adjustments ensure that changes in revenue aren’t merely due to changes in population. These controls ensure that observed revenue changes reflect industry-specific impacts rather than broader economic or demographic trends.

The following table presents GGR growth, GDP & Population growth, and Net growth rates for the states we selected for our ‘Non-iGaming’ sample.

Table 69: Non-iGaming State Land-Based Casino GGR Growth, Net of GDP, Population Growth

State	2019 GGR	2023 GGR	GGR Growth	GDP & Population	
				Growth	Net Growth
Colorado	\$833.7	\$924.9	10.9%	15.4%	-4.4%
Florida	\$574.6	\$690.9	20.2%	24.6%	-4.3%
Illinois	\$1,354.2	\$1,521.5	12.4%	3.2%	9.2%
Indiana	\$2,059.6	\$2,235.6	8.5%	12.3%	-3.8%
Iowa	\$1,467.5	\$1,743.8	18.8%	10.5%	8.4%
Kansas	\$416.2	\$405.9	-2.5%	10.9%	-13.4%
Maine	\$145.2	\$167.9	15.7%	14.5%	1.2%
Missouri	\$1,729.5	\$1,920.6	11.0%	10.0%	1.1%
New York	\$2,723.2	\$3,027.6	11.2%	7.9%	3.3%
Ohio	\$1,941.5	\$2,382.8	22.7%	6.4%	16.3%
Rhode Island	\$504.8	\$566.8	12.3%	11.3%	1.0%
Total	\$13,750.0	\$15,588.3	13.4%	11.3%	2.1%

Sources: Various State Gaming Regulatory Bodies, US Bureau of Labor Statistics, US Census

According to the table, states without iGaming grew 2.1% in excess of the “expected” growth due to population and GDP.

Against this 2.1% growth, we look at each state that with active online casino gaming. By contrast, in the iGaming states, we see that land-based casinos declined in GGR overall and underperformed the “expected growth” due to population and GDP by 9.1%. Delaware, a notable outlier, saw net Brick and Mortar GGR growth, more closely mirroring that of a non-iGaming state. This is understandable, given that their spend per capita is almost 6 times less than that of the next lowest state. Because their overall contribution to total iGaming state GGR is quite small, their impact on net growth is minimal, around 80 basis points.

Table 70: iGaming State Land-Based Casino GGR Growth, Net of GDP & Population Growth

State	2019 GGR	2023 GGR	GGR Growth	GDP & Population	
				Growth	Net Growth
Connecticut	\$982.3	\$855.3	-12.9%	5.0%	-18.0%
Delaware	\$366.0	\$425.6	16.3%	4.8%	11.4%
Michigan	\$1,454.3	\$1,222.8	-15.9%	8.0%	-23.9%
New Jersey	\$2,686.6	\$2,848.4	6.0%	13.2%	-7.2%
Pennsylvania	\$3,266.7	\$3,288.4	0.7%	5.2%	-4.5%
West Virginia	\$604.6	\$586.1	-3.1%	5.0%	-8.0%
Total	\$9,360.6	\$9,226.6	-1.4%	7.7%	-9.1%

Sources: Various State Gaming Regulatory Bodies, US Bureau of Labor Statistics, US Census

Comparing the +2.1% net growth from non-iGaming states to the -9.1% net growth from iGaming states, we arrive at a cannibalization effect of approximately 11.2%.

Table 71: Estimated iGaming Impact on Land-Based Casino GGR

	Net Growth
Net GGR Growth, iGaming States (2023 vs 2019)	-9.1%
Net GGR Growth, Non-iGaming States (2023 vs 2019)	2.1%
Estimated Impact of iGaming on B&M GGR	-11.2%

Source: The Innovation Group

While analysis of US markets suggests an average 11.2% cannibalization effect from iGaming on land-based casino revenues, several key factors indicate that the impact on destination properties in the Philippines would likely be substantially lower.

First, the US data is more heavily weighted toward regional casino markets with properties that primarily serve local customers within a 1–2-hour drive time. States like Pennsylvania and Michigan, feature a variety of smaller properties that compete directly with the convenience of online gaming. By contrast, we would expect Hann to typically draw from a more distinct customer base and offer a comprehensive entertainment experience beyond gaming alone, making them less susceptible to direct substitution from online alternatives.

Second, the demographic and behavioral profile of iGaming customers differs significantly from destination resort patrons. Online players tend to be younger, more tech-savvy, and primarily motivated by gaming itself, while integrated resort visitors are often seeking a complete entertainment experience including high-end dining, shows, retail, and other amenities that cannot be replicated online.

Third, geographic and infrastructural factors in the Philippines create natural segmentation between online and land-based markets. With greater average travel times to casino properties and varying levels of infrastructure across regions, there is likely to be less direct competition between online and physical channels compared to the connected US markets where substitution effects are more pronounced.

Moreover, US states with the highest cannibalization rates often feature saturated regional gaming markets where multiple properties compete for the same customer base. The introduction of online gaming in these markets can significantly impact smaller properties that rely heavily on convenience gamblers. The more concentrated nature of the Philippines market, with fewer but larger destination properties, suggests greater resilience to online competition.

DISCLAIMER

Certain information included in this report contains forward-looking estimates, projections and/or statements. The Innovation Group has based these projections, estimates and/or statements on our current expectations about future events. These forward-looking items include statements that reflect our existing beliefs and knowledge regarding the operating environment, existing trends, existing plans, objectives, goals, expectations, anticipations, results of operations, future performance and business plans.

Further, statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or other words or expressions of similar meaning have been utilized. These statements reflect our judgment on the date they are made and we undertake no duty to update such statements in the future.

Although we believe that the expectations in these reports are reasonable, any or all of the estimates or projections in this report may prove to be incorrect. To the extent possible, we have attempted to verify and confirm estimates and assumptions used in this analysis. However, some assumptions inevitably will not materialize as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties and unanticipated events and circumstances, which may occur. Consequently, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material. As such, The Innovation Group accepts no liability in relation to the estimates provided herein.

COMPANY

Hann Holdings, Inc.

Hann Casino Resort
5399 M.A. Roxas Highway corner C.M. Recto
Clark Freeport Zone,
Pampanga 2023, Philippines

SELLING SHAREHOLDER

Hann Group Holdings W.L.L.

Suite No. 1919 Diplomat Commercial Office Tower, Bldg.
No. 1565, Road. 1722, Block 317,
Diplomatic Area, Manama,
Kingdom of Bahrain

SOLE GLOBAL COORDINATOR AND JOINT BOOKRUNNER

CLSA Limited

18/F One Pacific Place
88 Queensway, Hong Kong

DOMESTIC UNDERWRITERS AND JOINT BOOKRUNNERS

Asia United Bank Corporation

Joy Nostalg Center, No. 17 ADB Avenue, Ortigas Center,
Pasig City, Philippines

BDO Capital & Investment Corporation

17th Floor, BDO Equitable Tower
8752 Paseo de Roxas, Salcedo Village
Makati City 1226
Philippines

China Bank Capital Corporation

Chinabank Building, 8745 Paseo de Roxas corner
Villar Street, Makati City 1226 Philippines

PNB Capital and Investment Corporation

PNB Financial Center
Pres. Diosdado Macapagal Boulevard Pasay City 1300
Philippines

LEGAL ADVISORS

*to the Company and the Selling Shareholder as to
Philippine law*

Romulo Mabanta Buenaventura

Sayoc & de los Angeles

21/F AIA Tower
8767 Paseo de Roxas
Makati City 1226
Philippines

to the Joint Bookrunners as to Philippine law

Martinez Vergara & Gonzalez Sociedad

33rd Floor, The Orient Square
F. Ortigas Jr. Road
Ortigas Center, Pasig City 1600
Philippines

*International Counsel for the Joint Bookrunners as to United States Federal and
New York Law*

Latham & Watkins LLP

18/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co.

6760 Ayala Avenue
1226 Makati City
Philippines