# digiplus

## Annual Stockholders' Meeting

**JULY 25, 2025**

inquiry@digiplus.com.ph

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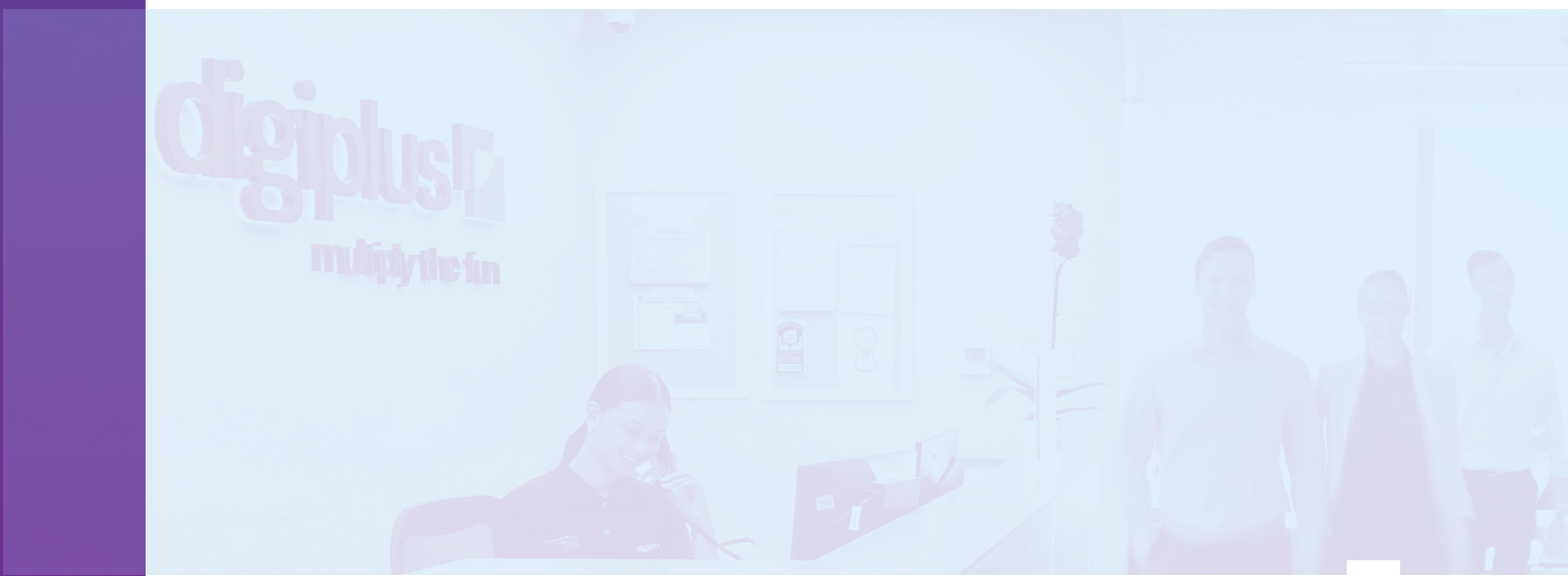

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders ("ASM") of **DigiPlus Interactive Corp.** (the "Corporation" or "DigiPlus") will be held on **Friday, 25 July 2025,** at **2:00 p.m.** The ASM will be conducted in hybrid format (a combination of in-person for the Board of Directors and remote participation for the stockholders). The in-person meeting for the Board of Directors will be held in Grand Hyatt Manila, 8th Avenue corner 35th St., Taguig City, and shall be livestreamed *via* Zoom Teleconference for stockholders participating remotely.

The agenda of the meeting will be as follows:

1. Call to Order
2. Determination of Quorum
3. Approval of the Minutes of the Annual Meeting held on July 26, 2024
4. Management Report
5. Approval of Annual Report and Audited Financial Statements for the fiscal year 2024
6. Ratification of actions taken by the Board of Directors and Officers since the last annual meeting
7. Nomination and Election of Directors
8. Appointment of External Auditor
9. Amendment of the By-Laws
10. Other Matters
11. Adjournment

In accordance with the rules and regulations of the Securities and Exchange Commission and the Corporation's By-Laws, DigiPlus will conduct the ASM *via* remote or electronic communication. Stockholders of record as of June 25, 2025 are entitled to notice of, and may attend and/or participate in, the ASM or any adjournment thereof via proxy and remote communication, and vote *in absentia.*

Should you choose to participate in the ASM via remote communication through Zoom Teleconference, please pre-register using the link: https://tinyurl.com/PLUS2025ASM on or before **12:00 p.m. on 16 July 2025.** Stockholders who have successfully registered may cast their votes and will be provided the link to the meeting. Due to the limitations of available technology, voting will not be possible during the Teleconference, but participants may send in questions or remarks via email, and vote through the submission of their respective signed proxy forms with the specific votes per item in the agenda that is subject to the shareholders' approval.

If you wish to cast your votes as a stockholder, you may vote remotely or *in absentia*, or through proxy by sending your respective votes as well as the complete supporting documents by e-mail to ASM@digiplus.com.ph on or before 12:00 p.m. on 16 July 2025. The detailed registration and procedures for attendance and voting during the 2025 ASM will be posted in the Company's website at www.digiplus.com.ph.

Stockholders who cannot attend the meeting in person may designate their authorized representative by submitting a Proxy instrument together with complete supporting documents in accordance with Sec. 57 of the Revised Corporation Code. Validation of the proxies shall be held on July 17, 2025 at the office of the Corporation's transfer agent, Stock Transfer Services, Inc., Unit 34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. **WE ARE NOT SOLICITING PROXIES.**

To facilitate your registration of attendance, please have available some form of government-issued identification such as passport or driver's license.

Thank you.

Taguig City. May 19, 2025.

FOR THE BOARD

**CAROL V. PADILLA**
*Corporate Secretary*

## RATIONALE FOR THE AGENDA ITEMS

**Agenda Item No. 3: Approval of the Minutes of the Annual Meeting held on July 26, 2024**

The Minutes of the 2024 Annual Stockholders' Meeting (ASM) held on July 26, 2024 was posted in the Corporation's website within five (5) days after the meeting. The results of the 2024 ASM were disclosed with The Philippine Stock Exchange, Inc. immediately after the meeting. The Board of Directors recommends the approval of the Minutes to the shareholders as part of the agenda of the 2025 ASM.

**Agenda Item No. 4 and 5: Management Report and Approval of Annual Report and Audited Financial Statements for the Fiscal Year 2024**

The Corporation's performance for the Fiscal Year (FY) 2024 has been summarized and reported in its Annual Report which includes the Audited Financial Statements (AFS) for the year ended 2024. The AFS has been audited by the Corporation's external auditor who expressed an unqualified opinion. The 2024 Annual Report is duly posted in the Corporation's website.

**Agenda Item No. 6: Ratification of actions taken by the Board of Directors and Officers since the last annual meeting**

The Corporation's actions and performance for FY 2024 are results of the strategic actions, directions and policies set by its Board of Directors. The Board's actions and decisions were executed and complied with by the Corporation's management in accordance with its internal procedures and guidelines. The Board's actions and decisions recommends its ratification to the shareholders as part of the agenda in the 2025 ASM.

**Agenda Item No. 7: Nomination and Election of Directors**

The Corporation's Nomination Committee conducted screening and evaluation of the list of candidates who will be recommended for directorship for the ensuing year 2025-2026. The recommended directors have proven their competence, expertise, and qualifications. The experience and expertise of the recommended directors are available in the Corporation's website.

**Agenda Item No.8: Appointment of External Auditor**

The Corporation's Board of Directors, upon the endorsement of its Audit Committee, recommends the appointment of Isla Lipana & Co. as its external auditor for the Fiscal Year 2025. Isla Lipana & Co. has proven its competence to perform the audit of the Corporation and has complied with the accreditation of the Securities and Exchange Commission.

**Agenda Item No. 9: Amendment of the By-Laws of the Corporation**

The Corporation's Board of Directors approved the amendment of DigiPlus' By-Laws primarily to move the date of the Annual Stockholders' Meeting from "*the last Friday of July*" to "*the last Friday of May*", and to align the other sections of the By-Laws with applicable law and Securities and Exchange Commission (SEC) issuances. The amendment of the By-Laws requires the approval of the majority of the outstanding capital stock of the stockholders pursuant to Section 47, RCC.

digiplus

***Email Voting Form***

**DIGIPLUS INTERACTIVE CORP.** 2025 Annual Stockholders' Meeting Agenda Items for Voting: *(Instruction: Kindly put a checkmark to select your option in the box provided)*

***A. Election of Directors***

We will distribute equally the number of shares to each nominee. However, if you elect to distribute or cumulate the number of shares to the nominee, kindly indicate the number of shares to be voted for each nominee.

| Name of Nominee | Yes | Abstain | No. of Shares |
|---|---|---|---|
| Eusebio H. Tanco | ☐ | ☐ | ______ |
| Tsui Kin Ming | ☐ | ☐ | ______ |
| Willy N. Ocier | ☐ | ☐ | ______ |
| Rafael Jasper S. Vicencio | ☐ | ☐ | ______ |
| Jose Raulito E. Paras | ☐ | ☐ | ______ |
| Tang Yong | ☐ | ☐ | ______ |
| Timoteo B. Aquino *(Independent Director)* | ☐ | ☐ | ______ |
| Ramon Pancratio D. Dizon *(Independent Director)* | ☐ | ☐ | ______ |
| Arthur R. Tan *(Independent Director)* | ☐ | ☐ | ______ |
| | | | Total: ______ |

***B. Other Items***

| | Item | Yes | No | Abstain |
|---|---|---|---|---|
| 1. | Approval of Minutes of the Annual Meeting held on July 26, 2024 | ☐ | ☐ | ☐ |
| 2. | Approval of the Annual Report and Audited Financial Statements for the fiscal year 2024 | ☐ | ☐ | ☐ |
| 3. | Ratification of actions taken by the Board of Directors and Officers since the last annual meeting | ☐ | ☐ | ☐ |
| 4. | Appointment of Isla Lipana & Co. as the Company's External Auditor for FY 2025 | ☐ | ☐ | ☐ |
| 5. | Approval of the Amendment of Article II (Stockholders' Meeting) of the By-Laws | | | |
| | a. Article II, Section 1 – Moving the date of ASM to the last Friday of May | ☐ | ☐ | ☐ |
| | b. Article II, Section 1 and 2 – Amending the term "virtually" to "remote communication or other alternative modes of communication" | ☐ | ☐ | ☐ |
| | c. Article II, Section 3 – Amend the notice period for special stockholders' meeting to 7 days | ☐ | ☐ | ☐ |
| | d. Article II, Section 7 – Adding "appointment of external auditor" in the order of business | ☐ | ☐ | ☐ |
| 6. | Approval of the Amendment of Article IV (Officers) of the By-Laws | | | |
| | a. Article IV, Section 1 – Adding "Compliance Officer" among the list of officers | ☐ | ☐ | ☐ |
| | b. Article IV, Section 2 – Adding the role of the "Management" in the Company | ☐ | ☐ | ☐ |
| | c. Article IV, Section 5 – Correcting a typographical error | ☐ | ☐ | ☐ |
| | d. Article IV, Section 11 – Defining the duties of Compliance Officer | ☐ | ☐ | ☐ |
| | e. Renumbering of various sections due to the overall amendment of Article III | ☐ | ☐ | ☐ |
| 7. | Approval of the Amendment of Article V (Section 1) and VI (Sections 1, 2 and 3) standardizing the use of the term "Company" | ☐ | ☐ | ☐ |
| 8. | Approval of the Amendment of Article VI (Dividends and Finance) of the By-Laws | | | |
| | a. Article IV, Section 3 – Designate the duty to assess and fix compensation of auditors to the Audit Committee | ☐ | ☐ | ☐ |
| 9. | Approval of the Amendment of Article VII - Updating the corporate name in the seal of the Company | ☐ | ☐ | ☐ |
| 10. | Approval of the Additional Article IX (Arbitration) in the Company's By-Laws | ☐ | ☐ | ☐ |

______________________________

PRINTED NAME AND SIGNATURE OF STOCKHOLDER

______________________________

DATE

| No. of Shares Held (DIGIPLUS) | Email Address/ Tel No. /Mobile Phone No. of Stockholder |
|---|---|
| | |

**This voting form must be emailed to ASM@digiplus.com.ph on or before 12:00 P.M. on July 16, 2025. Validation of the proxies shall be held on July 17, 2025 at the office of the Corporation's transfer agent, Stock Transfer Services, Inc., Unit 34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.**

The undersigned stockholder of **DIGIPLUS INTERACTIVE CORP.** (the "Company") hereby appoints __________________________ or, in his absence, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, with power of substitution, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders' Meeting of the Company on **July 25, 2025** at **2:00 P.M.** *via* Zoom Teleconference, and at any adjournment or postponement thereof.

**A. *Election of Directors***

We will distribute equally the number of shares to each nominee. However, if you elect to distribute or cumulate the number of shares to the nominee, kindly indicate the number of shares to be voted for each nominee.

| Name of Nominee | Yes | Abstain | No. of Shares |
|---|---|---|---|
| Eusebio H. Tanco | ☐ | ☐ | ______ |
| Tsui Kin Ming | ☐ | ☐ | ______ |
| Willy N. Ocier | ☐ | ☐ | ______ |
| Rafael Jasper S. Vicencio | ☐ | ☐ | ______ |
| Jose Raulito E. Paras | ☐ | ☐ | ______ |
| Tang Yong | ☐ | ☐ | ______ |
| Timoteo B. Aquino *(Independent Director)* | ☐ | ☐ | ______ |
| Ramon Pancratio D. Dizon *(Independent Director)* | ☐ | ☐ | ______ |
| Arthur R. Tan *(Independent Director)* | ☐ | ☐ | ______ |
| | | | Total: ______ |

**B. *Other Items***

| Item | Yes | No | Abstain |
|---|---|---|---|
| 1. Approval of Minutes of the Annual Meeting held on July 26, 2024 | ☐ | ☐ | ☐ |
| 2. Approval of the Annual Report and Audited Financial Statements for the fiscal year 2024 | ☐ | ☐ | ☐ |
| 3. Ratification of actions taken by the Board of Directors and Officers since the last annual meeting | ☐ | ☐ | ☐ |
| 4. Appointment of Isla Lipana & Co. as the Company's External Auditor for FY 2025 | ☐ | ☐ | ☐ |
| 5. Approval of the Amendment of Article II (Stockholders' Meeting) of the By-Laws | | | |
| a. Article II, Section 1 – Moving the date of ASM to the last Friday of May | ☐ | ☐ | ☐ |
| b. Article II, Section 1 and 2 – Amending the term "virtually" to "remote communication or other alternative modes of communication" | ☐ | ☐ | ☐ |
| c. Article II, Section 3 – Amend the notice period for special stockholders' meeting to 7 days | ☐ | ☐ | ☐ |
| d. Article II, Section 7 – Adding "appointment of external auditor" in the order of business | ☐ | ☐ | ☐ |
| 6. Approval of the Amendment of Article IV (Officers) of the By-Laws | | | |
| a. Article IV, Section 1 – Adding "Compliance Officer" among the list of officers | ☐ | ☐ | ☐ |
| b. Article IV, Section 2 – Adding the role of the "Management" in the Company | ☐ | ☐ | ☐ |
| c. Article IV, Section 5 – Correcting a typographical error | ☐ | ☐ | ☐ |
| d. Article IV, Section 11 – Defining the duties of Compliance Officer | ☐ | ☐ | ☐ |
| e. Renumbering of various sections due to the overall amendment of Article III | ☐ | ☐ | ☐ |
| 7. Approval of the Amendment of Article V (Section 1) and VI (Sections 1, 2 and 3) standardizing the use of the term "Company" | ☐ | ☐ | ☐ |
| 8. Approval of the Amendment of Article VI (Dividends and Finance) of the By-Laws | | | |
| a. Article IV, Section 3 – Designate the duty to assess and fix compensation of auditors to the Audit Committee | ☐ | ☐ | ☐ |
| 9. Approval of the Amendment of Article VII - Updating the corporate name in the seal of the Company | ☐ | ☐ | ☐ |
| 10. Approval of the Additional Article IX (Arbitration) in the Company's By-Laws | ☐ | ☐ | ☐ |

______________________________________
PRINTED NAME OF CORPORATE STOCKHOLDER

______________________________________
NAME AND SIGNATURE OF AUTHORIZED SIGNATORY OF CORPORATE STOCKHOLDER**

| No. of Shares Held (DIGIPLUS) | Email Address/ Tel No. /Mobile Phone No. of Stockholder |
|---|---|
| | |

*** This proxy must be submitted together with a duly executed Secretary's Certificate showing the authority of the authorized representative.*

This **proxy** must be received by the Office of the Corporate Secretary on or before **12:00 P.M. on July 16, 2025** through email at ASM@digiplus.com.ph or hard copies may be sent at 36th Floor, EcoPrime Tower, 32nd St. corner 9th Ave., Taguig, Metro Manila Philippines. **Validation of proxies** is set on **July 17, 2025** at **12:00 P.M**. at the office of the Corporation's transfer agent, Stock Transfer Services, Inc. This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends meeting in person and expressed his intention to vote in person.

Notarization of this proxy is not required.

The undersigned stockholder of **DIGIPLUS INTERACTIVE CORP.** (the "Company") hereby appoints ___________________________ or, in his absence, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, with power of substitution, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders' Meeting of the Company on **July 25, 2025** at **2:00 P.M.** *via* Zoom Teleconference, and at any adjournment or postponement thereof.

***A. Election of Directors***

We will distribute equally the number of shares to each nominee. However, if you elect to distribute or cumulate the number of shares to the nominee, kindly indicate the number of shares to be voted for each nominee.

| Name of Nominee | Yes | Abstain | No. of Shares |
|---|---|---|---|
| Eusebio H. Tanco | ☐ | ☐ | ______ |
| Tsui Kin Ming | ☐ | ☐ | ______ |
| Willy N. Ocier | ☐ | ☐ | ______ |
| Rafael Jasper S. Vicencio | ☐ | ☐ | ______ |
| Jose Raulito E. Paras | ☐ | ☐ | ______ |
| Tang Yong | ☐ | ☐ | ______ |
| Timoteo B. Aquino *(Independent Director)* | ☐ | ☐ | ______ |
| Ramon Pancratio D. Dizon *(Independent Director)* | ☐ | ☐ | ______ |
| Arthur R. Tan *(Independent Director)* | ☐ | ☐ | ______ |
| | | | Total: ______ |

***B. Other Items***

| | Item | Yes | No | Abstain |
|---|---|---|---|---|
| 1. | Approval of Minutes of the Annual Meeting held on July 26, 2024 | ☐ | ☐ | ☐ |
| 2. | Approval of the Annual Report and Audited Financial Statements for the fiscal year 2024 | ☐ | ☐ | ☐ |
| 3. | Ratification of actions taken by the Board of Directors and Officers since the last annual meeting | ☐ | ☐ | ☐ |
| 4. | Appointment of Isla Lipana & Co. as the Company's External Auditor for FY 2025 | ☐ | ☐ | ☐ |
| 5. | Approval of the Amendment of Article II (Stockholders' Meeting) of the By-Laws | | | |
| | a. Article II, Section 1 – Moving the date of ASM to the last Friday of May | ☐ | ☐ | ☐ |
| | b. Article II, Section 1 and 2 – Amending the term "virtually" to "remote communication or other alternative modes of communication" | ☐ | ☐ | ☐ |
| | c. Article II, Section 3 – Amend the notice period for special stockholders' meeting to 7 days | ☐ | ☐ | ☐ |
| | d. Article II, Section 7 – Adding "appointment of external auditor" in the order of business | ☐ | ☐ | ☐ |
| 6. | Approval of the Amendment of Article IV (Officers) of the By-Laws | | | |
| | a. Article IV, Section 1 – Adding "Compliance Officer" among the list of officers | ☐ | ☐ | ☐ |
| | b. Article IV, Section 2 – Adding the role of the "Management" in the Company | ☐ | ☐ | ☐ |
| | c. Article IV, Section 5 – Correcting a typographical error | ☐ | ☐ | ☐ |
| | d. Article IV, Section 11 – Defining the duties of Compliance Officer | ☐ | ☐ | ☐ |
| | e. Renumbering of various sections due to the overall amendment of Article III | ☐ | ☐ | ☐ |
| 7. | Approval of the Amendment of Article V (Section 1) and VI (Sections 1, 2 and 3) standardizing the use of the term "Company" | ☐ | ☐ | ☐ |
| 8. | Approval of the Amendment of Article VI (Dividends and Finance) of the By-Laws | | | |
| | a. Article IV, Section 3 – Designate the duty to assess and fix compensation of auditors to the Audit Committee | ☐ | ☐ | ☐ |
| 9. | Approval of the Amendment of Article VII - Updating the corporate name in the seal of the Company | ☐ | ☐ | ☐ |
| 10. | Approval of the Additional Article IX (Arbitration) in the Company's By-Laws | ☐ | ☐ | ☐ |

______________________________________________
PRINTED NAME AND SIGNATURE OF STOCKHOLDER**

______________________
DATE

| No. of Shares Held (DIGIPLUS) | Email Address/ Tel No. /Mobile Phone No. of Stockholder |
|---|---|
| | |

*** If a representative will sign on behalf of the stockholder, this proxy must be submitted together with a duly executed Special or General Power of Attorney showing the authority of the representative to sign on behalf of the individual stockholder.*

This **proxy** must be received by the Office of the Corporate Secretary on or before **12:00 P.M. on July 16, 2025** through email at ASM@digiplus.com.ph or hard copies may be sent at 36th Floor, EcoPrime Tower, 32nd St. corner 9th Ave., Taguig, Metro Manila Philippines. **Validation of proxies** is set on **July 17, 2025** at **12:00 P.M**. at the office of the Corporation's transfer agent, Stock Transfer Services, Inc. This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting as recommended by management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before th[illegible]ht granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to [illegible]n person. Notarization of this proxy is not required.

The undersigned stockholder of **DIGIPLUS INTERACTIVE CORP.** (the "Company") indicated below, which is registered in the name of Philippine Central Depository Nominee Corporation (PCD Nominee), hereby appoints ________________________ , as *sub-proxy*, or in his absence, the Chairman of the meeting, as *attorney-in-fact* and *proxy*, with power of substitution, to represent and vote all shares registered in the name of undersigned stockholder, at the Annual Stockholders' Meeting of the Company on **July 25, 2025** at **2:00 P.M.** *via* Zoom Teleconference, and at any adjournment or postponement thereof.

***A. Election of Directors***

We will distribute equally the number of shares to each nominee. However, if you elect to distribute or cumulate the number of shares to the nominee, kindly indicate the number of shares to be voted for each nominee.

| Name of Nominee | Yes | Abstain | No. of Shares |
|---|---|---|---|
| Eusebio H. Tanco | ☐ | ☐ | ______ |
| Tsui Kin Ming | ☐ | ☐ | ______ |
| Willy N. Ocier | ☐ | ☐ | ______ |
| Rafael Jasper S. Vicencio | ☐ | ☐ | ______ |
| Jose Raulito E. Paras | ☐ | ☐ | ______ |
| Tang Yong | ☐ | ☐ | ______ |
| Timoteo B. Aquino *(Independent Director)* | ☐ | ☐ | ______ |
| Ramon Pancratio D. Dizon *(Independent Director)* | ☐ | ☐ | ______ |
| Arthur R. Tan *(Independent Director)* | ☐ | ☐ | ______ |
| | | | Total: ______ |

***B. Other Items***

| | Item | Yes | No | Abstain |
|---|---|---|---|---|
| 1. | Approval of Minutes of the Annual Meeting held on July 26, 2024 | ☐ | ☐ | ☐ |
| 2. | Approval of the Annual Report and Audited Financial Statements for the fiscal year 2024 | ☐ | ☐ | ☐ |
| 3. | Ratification of actions taken by the Board of Directors and Officers since the last annual meeting | ☐ | ☐ | ☐ |
| 4. | Appointment of Isla Lipana & Co. as the Company's External Auditor for FY 2025 | ☐ | ☐ | ☐ |
| 5. | Approval of the Amendment of Article II (Stockholders' Meeting) of the By-Laws | | | |
| | a. Article II, Section 1 – Moving the date of ASM to the last Friday of May | ☐ | ☐ | ☐ |
| | b. Article II, Section 1 and 2 – Amending the term "virtually" to "remote communication or other alternative modes of communication" | ☐ | ☐ | ☐ |
| | c. Article II, Section 3 – Amend the notice period for special stockholders' meeting to 7 days | ☐ | ☐ | ☐ |
| | d. Article II, Section 7 – Adding "appointment of external auditor" in the order of business | ☐ | ☐ | ☐ |
| 6. | Approval of the Amendment of Article IV (Officers) of the By-Laws | | | |
| | a. Article IV, Section 1 – Adding "Compliance Officer" among the list of officers | ☐ | ☐ | ☐ |
| | b. Article IV, Section 2 – Adding the role of the "Management" in the Company | ☐ | ☐ | ☐ |
| | c. Article IV, Section 5 – Correcting a typographical error | ☐ | ☐ | ☐ |
| | d. Article IV, Section 11 – Defining the duties of Compliance Officer | ☐ | ☐ | ☐ |
| | e. Renumbering of various sections due to the overall amendment of Article III | ☐ | ☐ | ☐ |
| 7. | Approval of the Amendment of Article V (Section 1) and VI (Sections 1, 2 and 3) standardizing the use of the term "Company" | ☐ | ☐ | ☐ |
| 8. | Approval of the Amendment of Article VI (Dividends and Finance) of the By-Laws | | | |
| | a. Article IV, Section 3 – Designate the duty to assess and fix compensation of auditors to the Audit Committee | ☐ | ☐ | ☐ |
| 9. | Approval of the Amendment of Article VII - Updating the corporate name in the seal of the Company | ☐ | ☐ | ☐ |
| 10. | Approval of the Additional Article IX (Arbitration) in the Company's By-Laws | ☐ | ☐ | ☐ |

________________________________________
PRINTED NAME OF BROKER/PCD PARTICIPANT NAME AND SIGNATURE OF AUTOHRIZED SIGNATORY OF BROKER/PCD PARTICIPANT**

____________________
DATE

| No. of Shares Held (DIGIPLUS) | Email Address/ Tel No. /Mobile Phone No. of Stockholder |
|---|---|
| | |

*** This proxy must be submitted together with a duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the PCD Participant / Broker, as well as the duly accomplished proxy or certificate of shareholdings issued by the PDTC.*

This **proxy** must be received by the Office of the Corporate Secretary on or before **12:00 P.M. on July 16, 2025** through email at **ASM@digiplus.com.ph** or hard copies may be sent at 36th Floor, EcoPrime Tower, 32nd St. corner 9th Ave., Taguig, Metro Manila Philippines.

**Validation of proxies** is set on **July 17, 2025** at **12:00 P.M**. at the office of the Corporation's transfer agent, Stock Transfer Services, Inc. This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by management or the Board of Directors. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.

*Notarization of this proxy is not required*.

**COVER SHEET**

| 0 | 0 | 1 | - | 3 | 1 | 7 | 4 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

SEC Registration Number

DIGIPLUS INTERACTIVE CORP.

(Company's Full Name)

Ecoprime Bldg. 32nd St. corner
9th Ave. Bonifacio Global City
Taguig City 1635

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

**Carol V. Padilla**
(Contract Person)

**8634-2598**
(Company Telephone Number)

| 1 | 2 | | 3 | 1 |
|---|---|---|---|---|

*Month* *Day*
(Fiscal Year)

| 2 | 0 | - | I | S |
|---|---|---|---|---|

(Form Type)

| 0 | 7 | | 2 | 5 |
|---|---|---|---|---|

*Month* *Day*
(Annual Meeting)

**Not Applicable**
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable
Amended Articles Number/section

Total Amount of Borrowings

Total No. of Stockholders

Domestic Foreign

---

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

**SECURITIES AND EXCHANGE COMMISSION**
**SEC FORM 20-IS**
**INFORMATION STATEMENT PURSUANT TO SECTION 20**
**OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [ / ] Definitive Information Statement

2. Name of Registrant as specified in its Charter: **DIGIPLUS INTERACTIVE CORP.**

3. Province, country or other jurisdiction of incorporation or organization: **NCR, PHILIPPINES**

4. SEC Identification Number: **13174**

5. BIR Tax Identification Code: **108-278-000**

6. Address of Principal Office: **Ecoprime Bldg., 32nd St. corner 9th Ave, Bonifacio Global City, Taguig City 1635**

7. Registrant's telephone number, including area code: **(632) 8634-5099**

8. Date, time and place of the meeting of security holders:

| | | |
|---|---|---|
| Date | - | 25 July 2025 |
| Time | - | 2:00 p.m. |
| Place | - | The meeting will be conducted in hybrid format, a combination of in-person and remote attendance *via* Zoom Teleconference. The in-person meeting for the Board of Directors which shall be held in Grand Hyatt Manila, 8th Avenue corner 35th St. Taguig City, Metro Manila, and shall be livestreamed for stockholders' participation remotely. |

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **3 July 2025**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants)

| Title of Each Class | Number of Shares of Common Stock Outstanding and amount of Debt Outstanding |
|---|---|
| **Common Stock, PhP1.00, par value** | **4,453,603,078** |

11. Are any of the registrant's securities listed in the Philippine Stock Exchange?

   ___/___ Yes ______ No

   If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

   **PHILIPPINE STOCK EXCHANGE, Common shares**

**DIGIPLUS MANAGEMENT IS NOT SOLICITING PROXIES FOR THIS ANNUAL STOCKHOLDERS' MEETING.**

***PLEASE DO NOT SEND DIGIPLUS MANAGEMENT YOUR PROXY.***

## INFORMATION REQUIRED IN INFORMATION STATEMENT

## A. GENERAL INFORMATION

### Item 1. Date, time and place of meeting of security holders

(a) Date, Time, and Place of Meeting

| | | |
|---|---|---|
| Date of Meeting | - | July 25, 2025 |
| Time | - | 2:00 p.m. |
| Place of Meeting | - | The meeting will be conducted in hybrid format, a combination of in-person and remote attendance via Zoom Teleconference. The in-person meeting for the Board of Directors shall be held in Grand Hyatt Manila, 8th Avenue corner 35th St. Taguig City, Metro Manila, and shall be livestreamed for stockholders participating remotely. |
| Principal Office and Mailing Address of the Company | - | Ecoprime Bldg., 32nd St. corner 9th Ave, Bonifacio Global City, Taguig City 1635 |

(b) Online Zoom Teleconference link for participation:

Stockholders who have successfully registered via this link: https://tinyurl.com/PLUS2025ASM will be provided the link to the meeting.

(c) Approximate date on which the Information Statement is first to be sent or given to security holders: **3 July 2025**

**Item 2. Dissenter's Right of Appraisal:** The appraisal right is generally available in the instances stated in Section 80 of the Revised Corporation Code as follows:

(1) In any case amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence.

(2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;

(3) In case of merger or consolidation; and,

(4) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

In the foregoing instances, any stockholder of the registrant may exercise his right of appraisal right in the manner provided below:

(a) A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.

(b) The dissenting stockholder shall make a written demand on the registrant for payment of the fair value of his shares within thirty (30) days after the date on which the vote was taken. The failure of the stockholder to make the demand within such period shall be deemed a waiver of the appraisal right.

(c) If the proposed corporate action is implemented or effected, the registrant shall pay to such dissenting stockholder upon surrender of the certificate(s) of stock representing his shares within ten (10) days after demand thereof, provided the registrant has unrestricted retained earnings; and

(d) Upon payment of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the registrant.

In the present meeting, there are no matters to be acted upon which may give rise to any stockholder's exercise of his right of appraisal under Sec. 80 of the Revised Corporation Code of the Philippines.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**: There are no matters to be acted upon which a director, or officer of the registrant, each nominee for election as a director or each associate of any of the foregoing persons, have any substantial interest, direct or indirect, by security holdings or otherwise.

## B. CONTROL AND COMPENSATION INFORMATION

**Item 4. Voting Securities and Principal Holders thereof**

(a) Number of Shares Outstanding and entitled to be voted at the meeting: **4,453,603,078** common stock

Number of votes to which each share is entitled: One (1) vote per share

(b) All stockholders of record as of June 25, 2025 are entitled to notice and to vote at the Annual Stockholders' Meeting.

(c) Manner of Voting: Each stockholder of record as of June 25, 2025 shall have the right to vote in person or by proxy the number of shares of stock held in his name. In the election of directors, each stockholder entitled to vote, may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and DigiPlus' By-Laws which allow voting through remote communication or *in absentia*, voting may be done by sending your respective votes by e-mail to ASM@digiplus.com.ph on or before 12:00 p.m. on 16 July 2025. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum.

Complete information on the Requirements and Procedure for the Voting and Participation in the 2025 ASM via remote participation or voting *in absentia*, as well as on how to join the Zoom for the 2025 ASM will be posted in the Company's website at www.digiplus.com.ph/asm2025.

The Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for all items for approval under the agenda will be flashed on the screen.

No proxy solicitation is being made.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of 31 May 2025:

| Title of Class | Name and address of Record Owner and Relationship with Issuer | Name of Beneficial Owner and Relationship with Record Holder | Citizenship | No. of Shares Held | Percent-age Held |
|---|---|---|---|---|---|

| Title of Class | Name and address of Record Owner and Relationship with Issuer | Name of Beneficial Owner and Relationship with Record Holder | Citizenship | No. of Shares Held | Percent-age Held |
|---|---|---|---|---|---|
| Common | **PCD Nominee Corporation (Filipino)**<br>Phil. Central Depository Inc.<br>G/F Makati Stock Exchange Bldg. 6767 Ayala Avenue, Makati City<br>Stockholder | * | Filipino | 3,213,314,825 | 72.15% |
| Common | **PCD Nominee Corporation (Non-Filipino)**<br>37/F Tower I, The Enterprise Center<br>6766 Ayala Avenue corner Paseo de Roxas, Makati City<br>Stockholder | * | Foreign | 1,040,014,493 | 23.35% |

* PCD Nominee Corporation is a wholly owned subsidiary of the Philippine Central Depository and is the registered owner of the shares in the books of the Stock Transfer Service, Inc., the transfer agent of the registrant, and holds the shares in behalf of the beneficial owners.
* On 26 May 2025, the Company filed its Public Ownership Report as of period 20 May 2025, disclosing the following stockholders and owning more than 5% of the Company's shares lodged in the PCD Nominee Corporation:

| Name of Principal/Substantial Stockholders | Percentage of Total Outstanding Shares |
|---|---|
| Globalist Technology Company Limited | 5.46% |
| Colonial Group Holdings Corporation | 7.41% |
| Euphonious Holdings Inc. | 7.88% |
| Leisure Advantage Inc. | 6.86% |
| Catchy Solution Limited | 7.52% |
| Sagathy Holdings Inc. | 7.63% |
| Clearspring Holdings Corp. | 7.42% |
| Belvedere Skies Asset Holding OPC | 7.42% |
| Eusebio H. Tanco | 14.82% |
| Alfredo Abelardo B. Benitez | 8.26% |

(2) Security Ownership of Management as of 31 May 2025:

| Name | Nationality | Direct | Indirect | Total Direct & Indirect Shares | % to Total Outstanding Shares |
|---|---|---|---|---|---|
| Eusebio H. Tanco | Filipino | 10,432,480 | 649,485,513 | 659,917,993 | 14.82% |
| Willy N. Ocier | Filipino | 2,125,200 | 7,763,600 | 9,888,800 | 0.22% |
| Jose Raulito E. Paras | Filipino | 305 | 0 | 305 | 0% |
| Rafael Jasper S. Vicencio | Filipino | 0 | 399,409 | 399,409 | 0.01% |
| Tsui Kin Ming | Chinese (HK) | 304 | 400,000 | 400,304 | 0.01% |
| Arthur R. Tan | Filipino | 304 | 100,000 | 100,304 | 0% |
| Ramon Pancratio D. Dizon | Filipino | 304 | 0 | 304 | 0% |
| Timoteo B. Aquino | Filipino | 6 | 0 | 6 | 0% |
| Kristine Margaret R. Delos Reyes | Filipino | 0 | 200,000 | 200,000 | 0% |
| Carol V. Padilla | Filipino | 0 | 0 | 0 | 0% |
| Analen A. Hernandez | Filipino | 0 | 0 | 0 | 0% |
| Wilfredo M. Pielago | Filipino | 0 | 1,023,000 | 1,023,000 | 0.02% |

| Name | Nationality | Direct | Indirect | Total Direct & Indirect Shares | % to Total Outstanding Shares |
|---|---|---|---|---|---|
| Total | | 12,558,903 | 659,371,522 | 671,930,425 | 15.08% |

(3) Voting Trust Holders of 5% or More

No person holds more than five percent (5%) of a class under voting trust or similar arrangement. The Corporation does not have any shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may significantly impact on the control, ownership and strategic direction of the company.

(4) Change in Control

There has been no change in control of the Corporation since the beginning of 2012 and the Corporation is not aware of any existing, pending, or potential transaction which may result in such a change in control.

(e) Below is the summary list of foreign ownership as of 31 May 2025, the nationality, the number of shareholders, the number of common shares held and the percentage of common shares held by each:

| Nationality | No. of Shareholders | No. of Shares Held | % To Total |
|---|---|---|---|
| American | 10 | 141,117 | 0.00% |
| British | 1 | 13,619 | 0.00% |
| Chinese | 74 | 2,804,259 | 0.06% |
| Filipino | 1710 | 3,310,539,384 | 74.34% |
| German | 1 | 1,064 | 0.00% |
| Spanish | 2 | 19,442 | 0.00% |
| Taiwanese | 1 | 52,900 | 0.0% |
| Others | 3 | 1,140,031,293 | 25.60% |
| **Total** | **1,802** | **4,453,603,078** | **100.00%** |

Common shares are composed of 74.34% Filipino and 25.66% Foreign.

**Item 5. Directors and Executive Officers**

a) Legal Proceedings

To the best of the registrant's knowledge and belief, and except as otherwise disclosed, there are no material pending legal proceedings in any court of the Government to which any of the directors and executive officers of the registrant is a party.

b) Directors and Executive Officers

1. Directors and Executive Officers

| Name | Age | Directorships in Other Companies | Citizenship | Business Experience For the Past Five Years |
|---|---|---|---|---|
| Eusebio H. Tanco<br><br>*(Director; July 29, 2011 to present)* | 75 | Asian Terminals Inc.<br>PhilhealthCare Inc.<br>Philippine Life Financial Assurance<br>STI Education Systems Holdings, Inc.<br>STI Education Services Group, Inc.<br>iACADEMY<br>Philippine School of Business Administration<br>Maestro Holdings, Inc. (formerly STI | Filipino | Asian Terminals Inc.<br>(President)<br>STI Education Systems Holdings, Inc.<br>(Chairman)<br>Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc. (Chairman)<br>STI West Negros University (Director)<br>Mactan Electric Company (Chairman) |

| | | | | |
|---|---|---|---|---|
| | | Investments, Inc.)<br>Eximious Holdings, Inc. (formerly Capital Managers & Advisors, Inc.)<br>STI West Negros University<br>Philippine First Insurance Co., Inc.<br>Mactan Electric Company<br>International Hardwood & Veneer Corp.<br>Cement Center Inc.<br>United Coconut Chemicals, Inc.<br>Manila Bay Spinning Mills, Inc.<br>M. B. Paseo<br>Grow Vite, Inc.<br>Philippine Racing Club<br>Biolim Holdings & Management Corp (formerly Rescom Developers Inc.)<br>First Optima Realty Corp.<br>Marbay Homes Inc.<br>Tantivy Holdings, Inc. (formerly Insurance Builders Inc.)<br>Classic Finance, Inc.<br>Bloom with Looms Logistics, Inc. (formerly STMI Logistics, Inc.)<br>Total Consolidated Asset Management, Inc.<br>Eujo Phils., Inc.<br>Prime Power Holdings Corporation<br>Venture Securities, Inc.<br>Philplans First, Inc.<br>Prudent Resources, Inc.<br>AB Leisure Exponent, Inc.<br>First Cagayan Converge Data Center, Inc.<br>LR Land Developers, Inc.<br>LR Data Center and Solutions, Inc.<br>AB Leisure Global, Inc. and Subsidiaries<br>Blue Chip Gaming and Leisure, Inc.<br>Gold Coast Leisure and World Corporation<br>Total Gamezone Xtreme Incorporated<br>Prime Investment Korea Inc.<br>Diginvest Holdings Inc.<br>Leisure and Media Plus Corporation<br>*(All-Director)* | | International Hardwood & Veneer Corp. (President)<br>Cement Center Inc. (President)<br>First Optima Realty Corp. (President)<br>Marbay Homes Inc. (President)<br>Tantivy Holdings, Inc. (formerly Insurance Builders Inc.) (President)<br>Grow Vite, Inc. (Chairman)<br>Venture Securities, Inc. (Chairman)<br>Biolim Holdings & Management Corp (formerly Rescom Developers Inc.) (President)<br>Philippine First Insurance Co., Inc. (Chairman)<br>Bloom with Looms Logistics, Inc. (formerly STMI Logistics, Inc.) (President)<br>Eujo Phils., Inc. (President)<br>Total Consolidated Asset Management, Inc. (President)<br>Prime Power Holdings Corporation (Chairman and President)<br>Classic Finance Inc. (CEO)<br>Prudent Resources, Inc. (Chairman and President) |
| Willy N. Ocier<br><br>*(Director, July 31, 2009 to present)* | 68 | Philippine Global Communications Inc.<br>Premium Leisure & Amusement, Inc.<br>APC Group, Inc.<br>Tagaytay Midlands Golf Club, Inc.<br>Tagaytay Highlands International Golf Club, Inc.<br>*(All-Director)*<br>Belle Corporation<br>Pacific Online Systems Corporation<br>*(Chairman)* | Filipino | Pacific Online Systems Corporation (Chairman and President)<br>Philippine Global Communications Inc. (Chairman, CEO and President)<br>Premium Leisure & Amusement, Inc. (Chairman)<br>APC Group, Inc.<br>Tagaytay Midlands Golf Club, Inc. (Chairman)<br>Belle Corporation (Chairman)<br>Tagaytay Highlands International Golf Club, Inc. (Vice Chairman)<br>Highlands Prime Inc. (Vice Chairman)<br>The Country Club at Tagaytay Highlands, Inc. (Chairman)<br>Abacore Capital Holdings, Inc.<br>Total Gaming Technologies, Inc. (Chairman)<br>Vantage Equities Inc. (Director)<br>Toyota Corporation Batangas (Director) |

| | | | | |
|---|---|---|---|---|
| Tsui Kin Ming<br><br>*(Director, October 4, 2021 to present)* | 54 | None | Chinese (Hong Kong) | Jimei International Ltd.<br>MegStar International<br>(All – Chief Financial Officer) |
| Rafael Jasper S. Vicencio<br><br>*(Director, February 2, 2022 to present)* | 48 | AB Leisure Exponent, Inc.<br>Alabang Number & Gaming Corporation<br>Allpoint Leisure Corporation<br>Alpha One Amusement & Recreation Corp.<br>Big Time Gaming Corporation<br>Bingo Extravaganza, Inc.<br>Bingo Gallery, Inc.<br>Bingo Palace Corporation<br>Cebu Entertainment Gallery Inc.<br>First Leisure & Game Co., Inc.<br>Galleria Bingo Corp.<br>Gamexperience Entertainment Corp.<br>Grand Polaris Gaming Co., Inc.<br>G-One Gaming & Technology Inc.<br>Highland Gaming Corp.<br>Iloilo Bingo Corp.<br>Metro Gaming Entertainment Gallery Inc.<br>One Bingo Pavilion, Inc.<br>Rizal Gaming Corporation<br>SG Amusement and Recreation Corp.<br>South Bingo Corporation<br>South Entertainment Gallery Incorporated<br>Topmost Gaming Corp.<br>Topnotch Bingo Trend Inc.<br>Worldwide Links Leisure and Gaming Corp.<br>Bingo Dinero Corporation<br>Summit Bingo, Inc.<br>Manila Bingo Corporation<br>Total Gamezone Xtreme Incorporated<br>Gamemaster Integrated Inc.<br>DigiLive Inc.<br>Leisure and Media Plus Corporation<br>Bingo Heaven Incorporated<br>Bingo Zone, Inc.<br>BingoPlus Foundation Inc.<br>(All directors) | Filipino | AB Leisure Exponent, Inc.<br>Alabang Number & Gaming Corporation<br>Allpoint Leisure Corporation<br>Alpha One Amusement & Recreation Corp.<br>Big Time Gaming Corporation<br>Bingo Extravaganza, Inc.<br>Bingo Gallery, Inc.<br>Bingo Palace Corporation<br>Cebu Entertainment Gallery Inc.<br>First Leisure & Game Co., Inc.<br>Galleria Bingo Corp.<br>Gamexperience Entertainment Corp.<br>Grand Polaris Gaming Co., Inc.<br>G-One Gaming & Technology Inc.<br>Highland Gaming Corp.<br>Iloilo Bingo Corp.<br>Metro Gaming Entertainment Gallery Inc.<br>One Bingo Pavilion, Inc.<br>Rizal Gaming Corporation<br>SG Amusement and Recreation Corp.<br>South Bingo Corporation<br>South Entertainment Gallery Incorporated<br>Topmost Gaming Corp.<br>Topnotch Bingo Trend Inc.<br>Worldwide Links Leisure and Gaming Corp.<br>Bingo Dinero Corporation<br>Summit Bingo, Inc.<br>Manila Bingo Corporation<br>Total Gamezone Xtreme Incorporated<br>(All directors) |
| Timoteo B. Aquino<br><br>*(Independent Director, July 29, 2022 to present)* | 61 | Dynamic Care Corporation (Director)<br>Tagle-Chua Cruz & Aquino Law Firm (Partner) | Filipino | Dynamic Care Corporation (Director)<br>Tagle-Chua Cruz & Aquino Law Firm (Partner)<br>Pre-Bar review and MCLE lecturer<br>San Beda University's College of Law (Professor)<br>San Beda College Alabang School of Law (Professor)<br>Lyceum of the Philippines University, College of Law (Professor)<br>University of Asia and the Pacific's School of Law and Governance (Professor) |
| Ramon Pancratio D. Dizon<br><br>*(Independent Director, October* | 64 | PAL Holdings, Inc.<br>MacroAsia Corporation<br>Filinvest REIT Corporation<br>Megalink, Inc.<br>STI College Novaliches, Inc. | Filipino | SGV & Co. (Retired Senior Partner)<br>Monde Nissin Corporation (Senior Consultant)<br>Philippine Dealing Systems Holdings Corp. (Independent Director)<br>Philippine Dealing & Exchange Corp. |

| | | | | |
|---|---|---|---|---|
| *26, 2022 to present)* | | *(All-Independent Directors)* | | (Independent Director)<br>Philippine Depository & Trust Corp. (Independent Director)<br>PCD Nominee Corporation (Independent Director) |
| Jose Raulito E. Paras<br><br>*(Director, October 26, 2022 to present)* | 53 | Manila Mining Corporation<br>Zeus Holdings, Inc. | Filipino | Padernal & Paras Law Offices (Founding Partner)<br>Philippine Dispute Resolution Center (Commercial Arbitrator) |
| Arthur R. Tan<br><br>*(Independent Director, November 5, 2024 to present)* | 65 | Lyceum of the Philippines University<br>FEU Institute of Technology<br>SSI Group<br>(All-Independent Directorship) | Filipino | Integrated Micro-Electronics Inc. (Vice-Chairman; Chief Executive Officer)<br>AC Industrials Technology Holdings Inc. (President and CEO) |
| Tang Yong<br><br>*(Not a previous director of the Company)* | 51 | Lion Rock Investment Limited<br>City of Circles Limited<br>Well Full Enterprises Limited<br>The Cluny Hill Inc.<br>Andria Holdings Inc.<br>Citicircle Group Inc.<br>Keen Ocean Management Consultancy Services Inc. | Chinese (Hong Kong) | Lion Rock Investment Limited (2017-present)<br>City of Circles Limited (2018-present)<br>Well Full Enterprises Limited (2016-present)<br>The Cluny Hill Inc. (2018-present)<br>Andria Holdings Inc.(2019-present)<br>Citicircle Group Inc. (2018-present), *Director*<br>Keen Ocean Management Consultancy Services Inc. (2023-present), *President* |

*All of the independent directors possess all the qualifications and none of the disqualifications as independent directors under SRC Rule 38 from the time of their election as such independent directors.*

The following are the executive officers:

**Mr. Eusebio H. Tanco** – Chairman (please see discussion on directors)

**Mr. Tsui Kin Ming** – President (please see discussion on directors)

**Atty. Carol V. Padilla** – Corporate Secretary

Atty. Carol V. Padilla serves as the Company's Corporate Secretary. Previously, Atty. Padilla was the Assistant Director for Legal and Corporate Affairs of Millennium Pan-Asia Hotel and Resort Inc. She handled compliance with regulatory requirements of PAGCOR and SEC, as well as the intellectual property of the company such as trademark, copyright, and patents, among others, and corporate housekeeping. Prior to that, she was also Director for Contracts and Special Projects in Resorts World Manila. Atty. Padilla brings a wealth of experience and skills to help DigiPlus Interactive Corp. ("DigiPlus") achieve new heights.

Atty. Padilla attended college in Ateneo de Manila University and was a consistent dean's lister. She graduated with a degree in Bachelor of Arts, major in Psychology, and later earned her Juris Doctor degree from Ateneo de Manila University School of Law. She was also admitted to the New York Bar in 2012, and is currently licensed to practice law in the State of New York, U.S.A

**Atty. Kristine Margaret R. Delos Reyes** – Compliance Officer

Atty. Kristine Margaret Delos Reyes is the Company's Compliance Officer. She received multiple awards from her participation in international and local competitions on international law. She holds a vast experience in performing regulatory compliance for PAGCOR, PSE, SEC, LGU and other government bodies. Atty. Delos Reyes is proficient in M&A, corporate housekeeping, cross border and international business transactions, special projects, fundraising, bond issuance, initial public offering, contract review and negotiations, intellectual property, due diligence, and development of integrated resorts and casinos in the Philippines. She obtained her extensive legal practice from Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA), specializing on litigation before regular courts of law, administrative agencies, and quasi-judicial tribunals. Prior to joining DigiPlus, she was the Chief Legal Officer and Senior Vice President for Legal and Compliance Department for various gaming companies, such as, Fortunegate Holdings Philippines, Inc.; Millennium Pan-Asia Hotel and Resort Inc.; and Stotsenberg Leisure Park & Hotel Corporation. She was the Assistant Vice President and Director for Legal Special Projects and Contracts of Resorts World Manila (now Newport World Resorts). Atty. Delos Reyes was a dean's lister from De La Salle University, Manila, graduating Bachelor of Science in Commerce, major in Legal Management. She holds a Juris Doctor degree from Ateneo de Manila University School of Law.

**Wilfredo M. Pielago** - Treasurer

Mr. Wilfredo M. Pielago is a Certified Public Accountant with a vast work experience in the field of finance, investment, and portfolio management, business, asset and assurance advisory. His career advanced from being the Senior Finance Manager to becoming the Chief Financial Officer and Treasurer of PNB Holdings Corporation, a subsidiary of Philippine National Bank. He was also formerly the Vice President of Finance – Controller of Eton Properties Philippines Inc., and Assistant Vice President of Investments Portfolio of SM Investments Corporation. Mr. Pielago's extensive repertoire has successfully led companies in bridging the gap between finance and investment.

Mr. Pielago earned his Bachelor Degree from the Technological Institute of the Philippines, Manila. He completed his certifications from the Institute of Internal Auditor – USA, Institute of Financial Consultants – Canada. He also passed the Certified Risk Analyst Program from the American Academy of Financial Management.

**Nominees for Directorship**: The Nomination Committee of the Board of Directors of the Registrant has determined that the following nominees for the Board of Directors, including the independent directors, to be elected at this Annual Meeting, possess all the qualifications and have none of the disqualifications for directorship set out in the registrant's Manual on Corporate Governance as well as the Guidelines on the Nomination and Election of Independent Directors set forth in SRC Rule 38 as provided in Article II Section 6 of Registrant's Amended By-Laws dated December 16, 2024. The Chairman of the Nomination Committee is Mr. Eusebio H. Tanco and the members are Mr. Rafael Jasper S. Vicencio and Atty. Timoteo B. Aquino.

| Name | Age (as of 2025 ASM) | Citizenship |
|---|---|---|
| 1. Eusebio H. Tanco | 75 | Filipino |
| 2. Tsui Kin Ming | 54 | Chinese (HK) |
| 3. Jose Raulito E. Paras | 53 | Filipino |
| 4. Willy N. Ocier | 68 | Filipino |
| 5. Tang Yong | 51 | Chinese (HK) |
| 6. Rafael Jasper S. Vicencio | 49 | Filipino |
| 7. Ramon D. Dizon (Independent Director) | 64 | Filipino |
| 8. Timoteo B. Aquino (Independent Director) | 61 | Filipino |
| 9. Arthur R. Tan (Independent Director) | 65 | Filipino |

**Nomination of Independent Directors**: Mr. Ramon D. Dizon, Atty. Timoteo B. Aquino, and Mr. Arthur R. Tan, all incumbent independent directors of the registrant, were nominated by Mr. Rafael Jasper S. Vicencio.

Mr. Rafael Jasper S. Vicencio, who recommended the nomination of the independent directors have no relationship to the respective nominees.

The curriculum vitae of the directors nominated for re-election are described in the discussion on "Directors and Executive Officers."

Mr. Dizon and Atty. Aquino have only served as such for a cumulative period of two (2) years while Mr. Tan have only served for less than a year.

2. Significant Employees

Although DigiPlus has relied on and will continue to rely on, the individual and collective contributions of each of its executive officers, senior operational personnel and non-executive employees, DigiPlus believes that it does not depend on the services of a particular employee and that there is no employee that the resignation or loss of whom would have a material adverse impact on its business.

c) Family Relationships

There are no family relationships known to DigiPlus.

d) Involvement in Certain Legal Proceedings

To the best of the registrant's knowledge and belief, and except as otherwise disclosed, there are no pending material legal proceedings against the directors and officers known to DigiPlus.

As of May 31,2025, to the best of the Company's knowledge, there are no other occurrences of any of the following events that are material to an evaluation of the ability or integrity of any director or executive officer of the Company:

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 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) Being subject to 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 involvement in any type of business, securities, commodities or banking activities; and

d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission 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, and the judgment has not been reversed, suspended or vacated.

e) Certain Relationships and Related Transactions:

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market. There were no transactions or proposed transactions during the last two (2) years to which the registrant or its subsidiaries, in which a director, executive officer, or stockholders owning ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.
est.

The table below summarizes the Group's transactions and balances with its related parties as at and for the years ended December 31, 2024:

| Related Party | Relationship | Nature of Transaction | Terms and Condition | Amount of transaction | Outstanding balance as of December 31, 2024 |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Cyberpoint Holdings and Management Corporation (CHMC) | Stockholder | Advances | These pertain to cash advances provided by the Group to its related parties that are due and demandable, non-interest bearing and to be settled in cash. | - | 156,335,000 |
| Individual Stockholder | Stockholder | Advances | | - | 53,106,150 |
| Hotel Enterprises of the Philippines, Inc. (HEPI) | Joint Venture | Advances | | - | 118,918,150 |
| Binondo Leisure Resources, Inc. (BLRI) | Associate | Advances | | 18,092,257 | 58,066,743 |

Advances to HEPI and BLRI are advances for working capital requirements.

For transactions with related parties pertaining to those consummated with its subsidiaries and other related parties, please refer to Note 21 of Notes to the Consolidated Financial Statements.

f) Director's Disagreement with Registrant Leading to Directors' Resignation or Declining to stand for re-election: No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices.

## Item 6. Compensation of Directors and Executive Officers

Data as to all plan and non-plan compensation awarded to, earned by, paid to, or estimated to be paid to, directly or indirectly during the last two completed calendar years and the ensuing calendar year to the Company's President and five other most highly compensated executive officers.

*i. CY 2025*

| Name and Principal Position | Year | Compensation | Bonuses | Other Annual Compensation |
|---|---|---|---|---|
| Tsui Kin Ming, President | | | | |
| Wilfredo M. Pielago, Chief Finance Officer | | | | |
| Dennis Ryan L. Yaw, Vice President (VP) for Offline Operations | | | | |
| Rafael Jasper Vicencio, ABLE President | | | | |
| Celeste M. Jovenir, VP of Investor Relations and Corporate Communications | | | | |
| All above-named Officers as a group | 2025 | ₱ 36,017,880.00 | ₱ 3,001,490.00 | |
| All other officers as a group unnamed | 2025 | None | None | None |

**Note: Amounts above excludes compensation relating to ESOP shares.*

*ii.* *CY 2024*

| Name and Principal Position | Year | Compensation | Bonuses | Other Annual Compensation |
|---|---|---|---|---|
| Tsui Kin Ming, President | | | | |
| Wilfredo M. Pielago, Chief Finance Officer | | | | |
| Rafael Jasper Vicencio, ABLE President | | | | |
| Celeste M. Jovenir, VP of Investor Relations and Corporate Communications | | | | |
| Rosalyn D. Batay, Head of Internal Audit | | | | |
| All above-named Officers as a group | 2024 | ₱29,040,000 | ₱2,420,000 | |
| All other officers as a group unnamed | 2024 | None | None | None |

*iii.* *CY 2023*

| Name and Principal Position | Year | Compensation | Bonuses | Other Annual Compensation |
|---|---|---|---|---|
| Tsui Kin Ming, President | | | | |
| Wilfredo M. Pielago, Chief Finance Officer | | | | |
| Rafael Jasper Vicencio, ABLE President | | | | |
| Dominic Villanueva, Chief Human Resource Officer (January – March 2023) | | | | |
| Felbin Peter Soto, VP for Brand Marketing | | | | |
| All above-named Officers as a group | 2023 | ₱19,926,000 | ₱2,444,444 | |
| All other officers as a group unnamed | 2023 | None | None | None |

*Compensation of Directors*

Members of the BOD are elected for a term of one year. Except for the Company's President and ABLE's President, all other directors receive no compensation except directors' per diem of ₱100,000 per board meeting, ₱40,000 per committee meeting.

Cash bonus were given to directors in 2024 and 2023 totaling ₱6,111,111 and ₱2,444,444, respectively.

Total payments to non-salaried directors amounted to ₱16,100,000 and ₱5,211,123 in 2024 and 2023, respectively.

*Employment Contracts and Termination of Employment and Change in Control Arrangements*

There are no agreements or employment contract existing between the Company and any of its directors or executive officers.

There are no arrangements for compensation to be received by these named executive officers from DigiPlus in the event of a change in control of DigiPlus.

*Warrants and Options Outstanding*

As of March 31, 2019, the Corporation has outstanding warrants of 82,500,000 which are listed with the Philippine Stock Exchange. The warrants shall entitle the investor/s to purchase one (1) common share. The exercise price of the warrant shall be ₱15.00 or the Company's weighted average trading price for three (3) months prior to the exercise date of the warrant less ten percent (10%) discount. The warrants are exercisable starting on the 5th anniversary of the perpetual preferred shares until the 8th anniversary.

In September 2021, 26,606,666 warrants were exercised and converted into shares for an exercise price of P1.503 per share, which is the weighted average trading price for three (3) months prior to the exercise date with a 10% discount. Consequently, common shares with par value aggregating to P26,607 were issued for the exercised warrants resulting in additional paid-in capital of P13,383.

The remaining 55,893,334 warrants which were not exercised in September 2021 are deemed expired and are no longer exercisable.

On January 31 and March 27, 2023, the BOD and stockholders of the Parent Company approved its employee stock options plan (ESOP). On July 4, 2024, the Securities and Exchange Commission approved the Corporation's application for exemption from registration of its ESOP. As of 31 May 2025, the Company issued 45,943,900 shares in favor of eligible employees who exercised their right. *Please see Item 8 Compensation Plans for more detailed discussion about the Company's ESOP.*

**Attendance of Incumbent Directors for CY 2024:** Attendance and number of meetings of DigiPlus' Directors to the Board of Directors Meeting and its Special Committees, are as follows:

a. Board of Directors – The total number of meetings is eleven (11).

| Directors | % of Attendance |
|---|---|
| Eusebio H. Tanco | 100% |
| Tsui Kin Ming | 100% |
| Rafael Jasper S. Vicencio | 100% |
| Jose Raulito E. Paras | 89% |
| Willy N. Ocier | 100% |
| Renato G. Nuñez | 100% |
| Mardomeo N. Raymundo, Jr.* | 100% |
| Ramon Pancratio Dizon | 100% |
| Timoteo B. Aquino | 100% |
| Arthur R. Tan** | 50% |

** Mr. Raymundo resigned from the Board of Directors on 5 November 2024.*
*** Mr. Tan was elected to the Board of Directors on 5 November 2024*.

b. Audit Committee - The total number of meetings is six (6).

| Directors | % of Attendance |
|---|---|
| Jose Raulito E. Paras | 100% |
| Ramon Pancratio Dizon | 100% |
| Timoteo B. Aquino | 100% |

c. Board Risk Oversight Committee - The total number of meetings is five (5).

| Directors | % of Attendance |
|---|---|
| Renato G. Nuñez | 100% |
| Ramon Pancratio Dizon | 100% |
| Timoteo B. Aquino | 100% |

d. Nomination Committee - The total number of meetings is two (2).

| Directors | % of Attendance |
|---|---|
| Eusebio H. Tanco | 100% |
| Rafael Jasper S. Vicencio | 100% |
| Timoteo B. Aquino | 100% |

e. Compensation Committee - The total number of meetings is three (3).

| Directors | % of Attendance |
|---|---|
| Tsui Kin Ming | 100% |
| Ramon Pancratio Dizon | 100% |
| Jose Raulito E. Paras | 100% |

f. Corporate Governance Committee - The total number of meetings is four (4).

| Directors | % of Attendance |
|---|---|
| Eusebio H. Tanco | 100% |
| Ramon Pancratio Dizon | 100% |
| Timoteo B. Aquino | 100% |

***Board Evaluation and Assessment***

To ensure board effectiveness and optimal performance, the Board conducts annual performance evaluations of the Board of Directors, its individual members and board committees. Through the self-assessment and evaluation process, directors identify areas for improvement, such as:

1. Diversity of the board composition;
2. The frequency and conduct of meetings;
3. The timeliness and completeness of materials and information provided to them;
4. Directors' access to Management;
5. Orientation for new directors and continuing education and training for existing directors.

The criteria for Board self-assessment are:

1. Collective Board Rating
   a. Board Composition
   b. Board Meetings and Participation
2. Individual Self-Assessment
   a. Individual Performance
   b. Attendance of Board and Committee Meetings
3. Board Committees Rating
   i. Executive Committee
   ii. Corporate Governance Committee
   iii. Audit Committee
   iv. Compensation Committee
   v. Nomination Committee
   vi. Risk Oversight Committee
   vii. Related-Party Transaction Committee

For FY 2024, the Company engaged Institute of Corporate Directors (ICD) as an independent external facilitator to evaluate the Board Performance Assessment. The assessment is currently ongoing.

**Certain Relationships and Related Transactions**

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market. There were no transactions or proposed transactions during the last two (2) years to which the registrant or its subsidiaries, in which a director, executive officer, or stockholders owning ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

For transactions with related parties pertaining to those consummated with its subsidiaries and other related parties, please refer to Note 21 of Notes to the Consolidated Financial Statements.

## Item 7. Independent Public Accountants

In the annual stockholders' meeting held on July 28, 2023 and July 26, 2024, Isla Lipana & Co. was re-appointed as the external auditors with Mr. Pocholo Domondon as the partner-in-charge for the audit of the Company's financial statements as at and for the period ending 31 December 2023 and 31 December 2024, respectively.

In compliance with SRC Rule 68 as Amended, Paragraph 3(b)(ix), the handling audit partner is rotated every five (5) years and in case there will be a re-engagement of the same signing partner, a two-year cooling off period shall be observed. Mr. Pocholo Domondon was the assigned partner-in-charge since CY 2022. As of December 31, 2024, he only acted as lead audit partner for three (3) years.

Isla Lipana & Co. is subject to reappointment as the Company's external auditor for FY 2025, subject to the endorsement of the Audit Committee and approval of the Board of Directors. The appointment of Isla Lipana & Co. will be presented for confirmation of stockholders at the scheduled Annual Stockholders' Meeting. Representatives of the Independent Public Accountant for the current year (PwC Philippines) are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Chairman of the Audit Committee is Mr. Ramon D. Dizon, and the members are Atty. Timoteo B. Aquino and Atty. Jose Raulito E. Paras.

## Item 8. Compensation Plans

On 31, January 2023, the Board of Directors approved the Employee Share Option Plan, as endorsed by the Compensation Committee, with the following features:

| FEATURES | DESCRIPTION |
|---|---|
| Title | DigiPlus Employee Share Option Plan ("ESOP") |
| Size and Limitation of the Plan | Up to 528,000,000 common shares that will be applied for listing with the Exchange.<br><br>A portion of the share options shall be obtained from the existing Treasury Shares of the Company. |
| Eligibility | Key employees which may include executives, department heads, key business personnel and consultants of the Company, its subsidiaries, as may be determined by the Committee, who are largely responsible for the further growth and development of the Company. |
| Exercise Price | Shall be determined by the Compensation Committee based on a valuation methodology consistent with generally accepted valuation methodologies for pricing financial instruments (i.e. market value, Volume Weighted Average Price) |
| Vesting Schedule | Three equal tranches annually over 3-year period, or such other vesting schedule as may be changed by the Compensation Committee from time to time |
| Exercise Period | Any time within 5 years from the date of vesting |
| Duration of the Plan | Maximum of 10 years commencing on the Adoption Date |

This, together with the ESOP Plan Rules, were submitted to the stockholders who approved the same on 27 March 2023.

On 16 January 2024, the Compensation Committee amended Rule 6, Sections 6.1 and 6.2 of the ESOP Plan Rules, to read as follows:

> "Rule 6, Section 6.1: Upon the effectivity of the Plan, the Company shall allot 528 million common shares for the Share Options to be issued in the following tranches:
>
> A. DIGI ESOP A – 220,382,958 Common Shares;
> B. DIGI ESOP B – up to 5% of the issued and outstanding Common

Shares of the Company; and,

C. DIGI ESOP C – up to 5% of the issued and outstanding Common Shares of the Company.

"Rule 6, Section 6.2: The aggregate number of Shares over which the Committee may grant Share Options on any date, when added to the number of Shares issued and issuable in respect of all Share Options granted under DIGI ESOP A, DIGI ESOP B, and DIGI ESOP C, shall not exceed 528 million common shares."

The options to be received by the relevant individuals are as follows:

| ITEM | DESCRIPTION | OPTION SHARES |
|---|---|---|
| A | Chief Executive Officer | 32,428,972 |
| B | 4 highest paid executives who were serving at the end of the last completed fiscal year | 1,800,000 |
| C | All current executive officers as a group<br>**(Executive officers pertain to the President of DigiPlus; President of ABLE/ABLE subsidiarieis/TGXI; and CFO)* | 800,000 |
| D | Each nominee for election as a director | - |
| E | Each other person who received or is to receive five percent of such options, warrants or rights | 44,076,592 |
| F | All current directors as a group who are not executive officers | - |
| G | All other employees as a group<br>**(The group pertains to the other recipients of option shares)* | 48,219,000 |

On 4 July 2024, the Securities and Exchange Commission (SEC) approved the Corporation's application for exemption from registration of its ESOP pursuant to Section 10.2, Securities Regulations Code stating that the SEC may exempt other transactions, if it finds that the requirements of registration under the SRC is not necessary in the public interest or for the protection of the investors such as by the reason of the small amount involved or the limited character of the public offering.

As of 31 May 2025, the Company issued 45,943,900 shares in favor of eligible employees who exercised their right. The number of remaining ESOP Shares, as a result of the exercise of ESOP Shares, is 174,439,058.

As of May 31, 2025, the share price of DigiPlus' common shares is at P52.85 per share.

## D. OTHER MATTERS

### Item 15. Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting dated July 26, 2024 shall be submitted to the stockholders for approval. The stockholders shall approve/ratify the Annual Report and the Audited Financial Statements for fiscal year 2024, the resolutions of the Board of Directors, its committees, and management entered into or made in the ordinary course of business, and the significant acts or transactions which are covered by appropriate disclosures with the SEC and PSE since the last annual meeting of the stockholders as follows:

1. Declaration of cash dividends;
2. Filing of the Integrated Annual Corporate Governance Report covering CY 2023;
3. Incorporation of a wholly-owned subsidiary that will engage in investment holding, i.e., Diginvest Holdings Inc.;
4. Incorporation of two (2) wholly-owned subsidiaries in Brazil, i.e., Digiplus Brazil Holding LTDA. and Digiplus Interactive LTDA.;
5. Incorporation of a wholly-owned subsidiary in Singapore, i.e., Digiplus Global PTE Ltd.;
6. Amendment of By-Laws of DigiPlus Interactive Corp.

The minutes of the 2024 Annual Stockholders' Meeting, which is attached hereto and available on the Company's website, contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
3. The matters discussed and resolutions reached;
4. A record of the voting results for each agenda item;
5. A list of directors, officers, and stockholders who attended the meeting.

In addition, the details and rules on voting and vote tabulation procedures used in the previous meeting are uploaded *via* the Definitive Information Statement which may be viewed in PSE EDGE and in DigiPlus' company website. Stockholders had the option to send in their votes directly to DigiPlus' Corporate Secretary, through a broker, or via proxy. The different voting forms were uploaded in the Company website and disseminated to the brokers of record of STSI as well. DigiPlus forwarded all the votes received to STSI, its stock transfer agent. STSI then validated all votes and proxies, and sent back to DigiPlus the final result of all validated votes. These voting results were then presented during the previous stockholders' meeting.

The stockholders were informed through the Notice of ASM, all ASM disclosure-related statements, and the Company's website. Stockholders can send in their questions to DigiPlus' Investor Relations email ASM@digiplus.com.ph any time prior to the ASM.

**Item 16. <u>Matters Not Required to be Submitted</u>**

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

**Item 17. <u>Amendment of Charter, By-Laws, or Other Documents</u>**

On 16 May 2025, the Board of Directors authorized the Amendment of Articles II, IV, V, VI, VII and IX the Company's By-Laws to primarily amend the following:

1. To change the date of annual stockholders' meeting from *last Friday of July* to *last Friday of May*;
2. To amend the term "virtually" to "remote communication or other alternative modes of communication" in accordance with the Revised Corporation Code and its implementing rules;
3. To align the notice period for special meeting of stockholders with the Revised Corporation Code;
4. To add the *appointment of external auditor* in the order of business of the annual meeting of stockholders;
5. To add Compliance Officer and its duties among the officers of the Company;
6. To standardize the use of term "Company" throughout the By-Laws;
7. To update the name of the Company to "DigiPlus Interactive Corp." in its seal; and
8. To add a section on Arbitration.

Below are the proposed revisions:

| Article and Section Nos. | From | To |
|---|---|---|
| Article II, Section 1 | <u>ANNUAL MEETING</u> of the stockholders of this Company shall be held in the principal office of the Company as stated in its Articles of Incorporation, on last Friday of July of each year, unless a different date is fixed by the Board, at the hour of 2:00 P.M. *(as amended on 22 March 2013)*<br><br>The Company may hold the annual or regular meeting virtually, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual meetings shall be conducted in | <u>ANNUAL MEETING</u> of the stockholders of this company shall be held in the **<u>same city where the</u>** principal office of the company as stated in its Articles of Incorporation, on **<u>the</u>** last Friday of **<u>May</u>** of each year, unless a different date is fixed by the Board, at the hour of 2:00 P.M. *(as amended on 22 March 2013).*<br><br>The Company may hold the annual or regular **<u>through remote communication or other alternative modes of communication</u>**, subject to applicable laws, rules and regulations of the |

| | | |
|---|---|---|
| | such a way that the stockholder experience will be, to every extent possible, similar to physical meeting. The virtual meeting shall be recorded which shall form part of the records of the Corporation. *(as amended on 26 July 2024)* | Securities and Exchange Commission, as may be amended from time to time. The **meetings through remote communication or other alternative modes of communication** shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to physical meeting. The **meeting through remote communication or other alternative modes of communication** shall be recorded which shall form part of the records of the Corporation. *(as amended on 26 July 2024, and* ***as amended by the Board of Directors on 16 May 2025****)* |
| Article II, Section 2 | SPECIAL MEETING of the stockholders may be called at the principal office of the company at any time by resolution of the Board of Directors or by order of the Chairman of the Board or of the President or upon the written request of stockholders registered as the owners of one-third of the total outstanding capital stock.<br><br>The Company may hold the special stockholders' meeting virtually, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual meetings shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to physical meeting. *(as amended on 26 July 2024)* | SPECIAL MEETING of the stockholders may be called at the principal office of the company at any time by resolution of the Board of Directors or by order of the Chairman of the Board or of the President or upon the written request of stockholders registered as the owners of one-third of the total outstanding capital stock.<br><br>The Company may hold the special stockholders' meeting **through remote communication or other alternative modes of communication**, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The **meetings through remote communication or other alternative modes of communication** shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to physical meeting. *(as amended on 26 July 2024* ***and as amended by the Board of Directors on 16 May 2025****)* |
| Article II, Section 3 | NOTICE OF MEETING written or printed, for every regular or special meeting of the stockholders shall be sent to each stockholders' registered post office address, or by electronic transmission, or by such other manner as allowed by the Securities and Exchange Commission, not less than twenty-one (21) calendar days prior to the date set for such meeting, and if for a special meeting, such notice shall state the object or objects of the same.<br><br>The Company shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered upon the transfer or posting by electronic means.<br><br>As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Company, posting in the Philippine Stock Exchange, posting in the Company's website, or such other recognized means of electronic transfer of data or information. | NOTICE OF MEETING**,** written or printed, shall be sent to each stockholders' registered post office address, or by electronic transmission, or by such other manner as allowed by the Securities and Exchange Commission, not less than twenty-one (21) calendar days prior to the date set for **regular** meeting, **and not less than seven (7) calendar days prior to the date set for** special meeting. Notice **of special meetings** shall state the object or objects of the same.<br><br>The Company shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered upon the transfer or posting by electronic means.<br><br>As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Company, posting in the Philippine Stock Exchange, posting in the Company's website, or such other recognized means of electronic transfer of data or information. |

| | | |
|---|---|---|
| | The Company shall require all stockholders to provide a valid electronic address for them to receive notices and other information or documents from the Company.<br><br>No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest, shall invalidate such meeting or any proceeding thereat. ~~No publication of notice of meeting in the public newspaper shall be required.~~<br><br>Notice of any meeting may be waived, expressly or impliedly, including through stockholders' attendance to a meeting unless the stockholders' presence is for the express purpose of contending that the meeting is not lawfully convened. *(as amended on 26 July 2024)* | The Company shall require all stockholders to provide a valid electronic address for them to receive notices and other information or documents from the Company.<br><br>No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest, shall invalidate such meeting or any proceeding thereat.<br><br>Notice of any meeting may be waived, expressly or impliedly, including through stockholders' attendance to a meeting unless the stockholders' presence is for the express purpose of contending that the meeting is not lawfully convened. *(as amended on 26 July 2024* ***and as amended by the Board of Directors on 16 May 2025****)* |
| Article II, Section 7 | <u>ORDER OF BUSINESS</u> at the annual meeting and as far as possible at all other meetings of the stockholders shall be as follows:<br><br>1. Call to order<br>2. Secretary's proof of due notice of the meeting<br>3. Reading and disposal of unapproved minutes<br>4. Reports of officers, annual and otherwise<br>5. Election of Directors<br>6. Unfinished business<br>7. New Business<br>8. Adjournment | <u>ORDER OF BUSINESS</u> at the annual meeting and as far as possible at all other meetings of the stockholders shall be as follows:<br><br>1. Call to order<br>2. Secretary's proof of due notice of the meeting<br>3. Reading and disposal of unapproved minutes<br>4. Reports of officers, annual and otherwise<br>5. Election of Directors<br>**6. <u>Appointment of External Auditor</u>**<br>7. Unfinished business<br>8. New Business<br>9. Adjournment ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article IV, Section 1 | <u>THE OFFICER OF THE COMPANY</u> shall consist of a Chairman of the Board, a president, a Chief Executive Officer, a Chief Operating Officer, a Treasurer, a Secretary and Assistant Secretary, and these officers shall be elected to hold office until their successors are elected and qualified. In avoidance of doubt, these are separate and distinct persons and positions, except that any person may hold both the offices of the Treasurer and Secretary. *(as amended on 24 November 2022 by the Stockholders and 15 September 2022 by the Board of Directors)* | <u>1. THE OFFICER OF THE COMPANY</u> shall consist of a Chairman of the Board, a president, a Chief Executive Officer, a Chief Operating Officer, a Treasurer, a Secretary and Assistant Secretary, **<u>and a Compliance Officer,</u>** and these officers shall be elected to hold office until their successors are elected and qualified. In avoidance of doubt, these are separate and distinct persons and positions, except that any person may hold both the offices of the Treasurer and Secretary. *(as amended on 24 November 2022 by the Stockholders and 15 September 2022 by the Board of Directors;* ***as amended by the Board of Directors on 16 May 2025****)* |

| | | |
|---|---|---|
| *(New provision)*<br><br>To become<br><br>**Article IV, Section 2** | *(No old provision)* | **2. MANAGEMENT stands as the locus of decision-making for the day-to-day affairs of the Company and is primarily accountable to the Board of Directors for the operations of the Company. It determines the Company's activities by putting the Company's targets in concrete terms and by formulating the basic strategies for achieving these targets.** ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article IV, Section 2<br><br>to<br><br>**Article IV, Section 3**<br><br>*(Renumbering)* | *(No change in provision, only in numbering)* | |
| Article IV, Section 3.1<br><br>to<br><br>**Article IV, Section 5**<br><br>*(Renumbering)* | 3.1 THE PRESIDENT shall exercise the following instructions: | **5** THE PRESIDENT shall exercise the following ~~instructions~~ **functions**:<br>xxx<br><br>*(As amended on 24 November 2022 by the Stockholders and 15 September 2022 by the Board of Directors;* ***as amended by the Board of Directors on 16 May 2025****)* |
| Article IV, Section 3.2<br><br>to<br><br>**Article IV, Section 4**<br><br>*(Renumbering)* | *(No change in provision, only in numbering)* | |
| Article IV, Section 4<br>to<br>**Article IV, Section 6**<br><br>*(Renumbering)* | *(No change in provision, only in numbering)* | |
| Article IV, Section 5<br>to<br>**Article IV, Section 7**<br><br>*(Renumbering)* | *(No change in provision, only in numbering)* | |
| Article IV, Section 6 | *(No change in provision, only in numbering)* | |

| | | |
|---|---|---|
| to<br>**<u>Article IV, Section 8</u>**<br><br>*(Renumbering)* | | |
| Article IV, Section 7<br>to<br>**<u>Article IV, Section 9</u>**<br><br>*(Renumbering)* | *(No change in provision, only in numbering)* | |
| Article IV, Section 8<br>to<br>**<u>Article IV, Section 10</u>**<br><br>*(Renumbering)* | *(No change in provision, only in numbering)* | |
| **<u>Article IV, Section 11</u>**<br><br>***<u>(New section)</u>*** | *(No old provision)* | **<u>11. THE COMPLIANCE OFFICER – shall ensure compliance by the Company, its directors and officers with applicable laws, rules and regulations, and governance issuances of regulatory agencies, identification and appropriate resolution of any compliance issues, and the integrity and accuracy of all documentary submissions to regulators, and perform all other duties which may be assigned by the Board of Directors.</u>** ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article V, Section 1 | The Corporation shall indemnify every director or officer, his heirs, executors and administrators against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the Corporation to which he may be, or is, made a party by reason of his being or having been, a director of officer of the Corporation, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence of misconduct.)<br><br>In the event of settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person be indemnified did not commit a breach of duty as such director or officer.<br><br>The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of the member | The **<u>Company</u>** shall indemnify every director or officer, his heirs, executors and administrators against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the **<u>Company</u>** to which he may be, or is, made a party by reason of his being or having been, a director of officer of the **<u>Company</u>**, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence of misconduct.)<br><br>In the event of settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the **<u>Company</u>** is advised by counsel that the person be indemnified did not commit a breach of duty as such director or officer.<br><br>The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of the member of the Board of Directors. |

| | | |
|---|---|---|
| | of the Board of Directors.<br><br>The cost and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the Corporation in advance of the final disposition if such action, suit or proceeding as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in the Article. | The cost and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the **Company** in advance of the final disposition if such action, suit or proceeding as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the **Company** as authorized in the Article. ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article VI, Section 1 | THE FISCAL YEAR of the company shall commence with the opening of the business of the 1st of January of each calendar year, and shall close on the 31st day of December each year. | THE FISCAL YEAR of the **Company** shall commence with the opening of the business of the 1st of January of each calendar year, and shall close on the 31st day of December each year. ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article VI, Section 2 | DIVIDENDS shall be declared only from the surplus profit and shall be payable at such times and in such amounts as the Board of Directors shall determine, and shall be payable in cash or in shares of the unissued stock of the Company, or both as said Board of Directors and/or the stockholders shall determine. No dividends shall be declared that will impair the capital of the company | DIVIDENDS shall be declared only from the surplus profit and shall be payable at such times and in such amounts as the Board of Directors shall determine, and shall be payable in cash or in shares of the unissued stock of the Company, or both as said Board of Directors and/or the stockholders shall determine. No dividends shall be declared that will impair the capital of the **Company**. ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article VI, Section 3 | AUDITORS shall be designated by the Board of Directors prior to the close of business in each fiscal year, who shall audit and examine the books of accounts of the company and shall certify to the Board of Directors and the shareholders the annual balances of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No director, no officer of the company, and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of the Auditor. The compensation of the Auditor shall be fixed by the Board of Directors. | AUDITORS shall be **assessed** by the **Audit Committee** prior to the close of business in each fiscal year, who shall audit and examine the books of accounts of the company and shall certify to the Board of Directors and the shareholders the annual balances of said books which shall be prepared at the close of the said year under the direction of the Treasurer. No director, no officer of the **Company**, and no firm or corporation of which such officer or director is a member, shall be eligible to discharge the duties of the Auditor. The compensation of the Auditor shall be fixed by the **Audit Committee**. ***(As amended by the Board of Directors on 16 May 2025)*** |
| Article VII Seal | The Corporate seal of the company shall consist of two (2) concentric rings, between which shall be inscribed the words "LEISURE AND RESORTS WORLD CORPORATION, MANILA, PHILIPPINES" and in the center of the words "INCORPORATED" followed immediately below by the figure "1957". *(as amended on 22 March 2023)* | The Corporate seal of the company shall consist of two (2) concentric rings, between which shall be inscribed the words **"DigiPlus Interactive Corp.,** MANILA, PHILIPPINES" and in the center of the words "INCORPORATED" followed immediately below by the figure "1957". *(as amended on 22 March 2023* ***and as amended by the Board of Directors on 16 May 2025****)* |
| **Article IX**<br><br>***(New section)*** | *(No old provision)* | **ARBITRATION**<br><br>**Any dispute, controversy or claim between the Company and its stockholders arising from, relating to, or in connection with the implementation of the Articles of** |

| | | |
|---|---|---|
| | | **Incorporation or By-Laws, or from intra-corporate relations, except those involving criminal offenses and interests of third parties, may be referred to and resolved by arbitration in accordance with prevailing Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules and Securities and Exchange Commission Rules and Regulations.**<br><br>**The number of arbitrators shall be three (3) appointed by the Philippine Dispute Resolution Center, Inc. (PDRCI) and the place of arbitration shall be in Metro Manila, Philippines. The language to be used for the arbitral proceedings shall be English.**<br><br>**The parties shall be bound by the award rendered by the Arbitral Tribunal and confirmed by the appropriate Regional Trial Court.** ***(As amended by the Board of Directors on 16 May 2025)*** |

Reason and Effect of Amendment

The Corporation's Board of Directors approved the amendment of DigiPlus' By-Laws primarily to move the date of the Annual Stockholders' Meeting from "the last Friday of July" to "the last Friday of May", and to align the other sections of the By-Laws with applicable law and Securities and Exchange Commission (SEC) issuances. The amendment of the By-Laws requires the approval of the majority of the outstanding capital stock of the stockholders pursuant to Section 47, RCC.

**Item 18. Other Proposed Action**

There is no other proposed action, other than as discussed above, for the upcoming FY 2025 Annual Stockholders' Meeting.

**Item 19. Voting Procedures**

(a) Vote required for Election of Directors and Approval of Actions

With respect to the election of directors, candidates who receive the highest number of affirmative votes will be declared elected.

With respect to: (i) the approval of the reports stated in Item 15 above; (ii) approval of the Minutes of the Annual Meeting held on July 26, 2024; (iii) Approval of Annual Report and Audited Financial Statements for the fiscal year 2024; (iv) Ratification of actions taken by the Board of Directors and Officers since the last annual meeting; (v) nomination and election of the directors; and, (vi) approval of the appointment of external auditor of the Company; (vii) approval of the amendment of the By-Laws, and (viii) all other matters subject to vote, except in cases when the law provides otherwise, the affirmative vote of majority of the outstanding capital stock entitled to vote is required to approve such matters.

(b) Method by which votes will be counted

Except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock standing in his name on the stock books of the registrant, which vote may be given personally or by attorney authorized in writing. The instrument authorizing as attorney or proxy to act shall be exhibited to the Secretary if he shall so request. In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the provisions of the Revised Corporation Code.

Unless required by law, or demanded by a stockholder present in person or proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, in his name or by his proxy if there be such proxy, and shall state the number of shares voted by him. In any and all matters requiring the vote of the stockholders, it is the Company's Corporate Secretary who shall be authorized to count the votes to be cast.

The details of registration and voting process can be found below. If assistance with the ASM Zoom meeting is needed and/or there is any other ASM-related query, stockholders may contact the company at ASM@digiplus.com.ph.

(c) Voting *in Absentia*

Stockholders may vote through email. The Voting Form can be downloaded from this link https://digiplus.com.ph/asm2025/. All agenda items indicated in the Notice of the Annual Stockholders' Meeting will be set out in the electronic voting form and the Stockholder may vote as follows:

i. A Stockholder has the option to vote "Yes", "No", or "Abstain" (check correspondingly on "Yes", "No", or "Abstain"). The vote is considered cast for all the Stockholder's shares.

ii. Once the Stockholder has finished voting on the Agenda items, he/she can email the form to ASM@digiplus.com.ph. The deadline for the submission of votes via e-mail is 12:00 P.M. (noon) of 16 July 2025. All forms delivered past the deadline will not be counted.

iii. Votes cast in absentia will have equal effect as votes cast by proxy.

iv. The Office of the Corporate Secretary will count and tabulate the votes cast in absentia together with the votes cast by proxy. An independent third party will validate the voting results. The Corporate Secretary shall report the results of voting during the Meeting.

(d) Voting Requirements.

The following are needed to be submitted together with the voting form:

i. For individual Stockholders:
   1. A scanned copy of the front and back portions of the Stockholder's valid government-issued photo ID, preferably with residential address. This must be in a digital, JPG format with a file size no larger than 2MB; Valid types of government-issued photo IDs include the following: Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, SSS ID, Pag-Ibig ID, and Senior Citizen ID.
   2. Valid and active e-mail address; and
   3. Valid and active contact number (landline or mobile number).

ii. For Stockholders with Joint accounts:
   1. In addition to the above requirements, a scanned copy of an authorization letter signed by all Stockholders on who among them is authorized to cast the votes must also be submitted. This must also be in a digital, JPG format with a file size no larger than 2MB.

iii. For Stockholders under Broker accounts:
   1. A scanned copy of the broker's certificate on the Stockholder's number of shareholdings. This must also be in a digital, JPG format with a file size no larger than 2MB;
   2. A scanned copy of the front and back portions of the Stockholder's valid government-issued photo ID, preferably with residential address. This must also be in a digital, JPG format with a file size no larger than 2MB; Valid types of government-issued photo IDs include the following: Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, SSS ID, Pag-Ibig ID and Senior Citizen ID;
   3. Valid and active email address; and
   4. Valid and active contact number (landline or mobile number).

iv. For corporate Stockholders:
  1. A scanned copy of a Secretary's Certificate attesting to the authority of the representative to vote for and on behalf of the Corporation. This must be in a digital, JPG format with a file size no larger than 2MB;
  2. A scanned copy of the front and back portions of the valid government-issued photo ID of the Stockholder's representative, preferably with residential address. This must be in a digital, JPG format with a file size no larger than 2MB; Valid types of government-issued photo IDs include the following: Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, SSS ID, Pag-Ibig ID, and Senior Citizen ID;
  3. Valid and active email address of the Stockholder's representative; and
  4. Valid and active contact number of the Stockholder's representative (landline or mobile number).

(e) Email Voting Procedure.

Stockholders who opted to vote through email will need to send an email with subject "**Voting on DigiPlus 2025 ASM**" and attach all the aforementioned documents and then send it to ASM@digiplus.com.ph. Stockholders who participated in the voting are deemed to have agreed on the Data Privacy Agreement. Aside from the aforementioned documents, the email content shall contain the following details:

i. Complete Name
ii. Residential Address
iii. Email Address
iv. Telephone / Mobile Number

For any clarifications on the registration or on the Voting in Absentia procedure, please contact DigiPlus Corporate Secretary at telephone numbers 8637-5291 to 1074/1072 or through email at ASM@digiplus.com.ph.

**Determination of Quorum for the ASM by Remote Communication**

Stockholders who wish to be recognized in the determination of the existence of a quorum at the ASM are requested to notify DigiPlus of their votes in the Meeting by proxy on or before 12:00 P.M. (noon) of **16 July 2025**, or by remote communication through e-mail to ASM@digiplus.com.ph on or before 12:00 P.M. (noon) of **16 July 2025**.

Only those Stockholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the Stockholders who voted by proxy, will be included in determining the existence of a quorum.

**SIGNATURE**

*After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on 25 June 2025.*

**DIGIPLUS INTERACTIVE CORP.**
**Issuer**

By: cvpadilla

**CAROL V. PADILLA**
*Corporate Secretary*

## MANAGEMENT REPORT

## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. <u>Business Development</u>

*Primary Purpose*

DigiPlus Interactive Corp. (hereinafter referred to as (the "Company" or "DigiPlus" or "the Registrant") was incorporated on October 10, 1957. As part of the corporate restructuring of the Company in 1996, the Company's primary purpose was amended in 1999 to engage in realty development focusing on leisure business and its operations remained minimal and functioned as a holding company.

In October 1999, the Board of Directors (BOD) of the Company approved the Share Exchange Agreements ("Agreements") with the shareholders of AB Leisure Exponent, Inc. (ABLE), operator of a number of bingo parlors, for the acquisition of all outstanding capital stock of ABLE in exchange for 750 million new shares of the Company valued at ₱750 million. As a result, ABLE became a wholly owned subsidiary of the Company.

On September 19, 2000, the Securities and Exchange Commission (SEC) approved the Company's increase in authorized capital stock to ₱2.5 billion. Out of the aforementioned increase which consists of a total 2.5 billion common shares at ₱1 par value, a total of 750 million common shares with aggregate par value of ₱750.0 million have been subscribed and fully paid for through the assignment in favor of the Company of 500,000 common shares of ABLE representing the entire outstanding capital stock thereof by ABLE shareholders. This subscription and payment in ABLE shares was an implementation of the duly executed Agreements between the Company and ABLE's shareholders. Initially, 236,626,466 shares were approved by SEC for release to previous ABLE shareholders. The remaining shares corresponding to 513,373,534 were principally held in escrow with a local commercial bank. In 2003, the stockholders of the Parent Company approved the decrease in authorized capital stock from 2.5 billion shares to 1.6 billion shares at ₱1 par value per share. Accordingly, the Company's issued capital stock decreased from ₱1,162,678,120 to ₱744,114,784. This equity restructuring resulted in a reduction of ₱418,563,336 in the Company's deficit as at January 1, 2004 and reduced shares held in escrow to ₱328,559,059. In 2007 and 2008, SEC approved the release of 322,616,462 shares held in escrow. The remaining shares totaling 5,942,597 were finally approved for release on October 10, 2011.

On March 11, 2011, the BOD authorized the issuance, through private placement, of 150 million shares from its unissued capital stock at a price of ₱7.50 per share. The newly issued shares were subscribed by third parties. Twenty-Five percent (25%) of the subscription amount was paid upon the execution of the Subscription Agreements on March 24, 2011, while the remaining seventy five percent (75%) was settled on May 15, 2011. The issuance of these shares was filed with SEC on May 2011 and was approved and ratified by the stockholders on July 29, 2011. As a result, the total issued and outstanding stocks of the registrant as at December 31, 2011 increased to 999,877,094 shares.

In 2013, the Parent Company issued 1.65 billion perpetual preferred shares with a par value of ₱1.00 per share through private placement for an issue price of ₱1.00 per share. The preferred shares are cumulative, non-voting and non-participating. On the fifth anniversary of the issue date of the 1.65 billion perpetual preferred shares or on any dividend payment date thereafter, the Parent Company has the option, but not the obligation, to redeem the perpetual preferred shares in whole or in part at a redemption price equal to the issue price of the perpetual preferred shares plus cumulated and unpaid cash dividend, if any, for all dividend periods up to the date of actual redemption by the Parent Company. A nil-paid, detachable warrant was issued to the investor/s for every twenty (20) preferred shares. Each warrant shall entitle the investor/s to purchase one (1) common share. The exercise price of the warrant shall be ₱15.00 or DigiPlus' weighted average trading price for three (3) months prior to the exercise date of the warrant less ten percent (10%) discount. The warrants are exercisable starting on the 5th anniversary of the perpetual preferred shares until the 8th anniversary.

On January 11, 2019, the Parent Company called for a Special Stockholder's Meeting for the approval of the issuance of up to 1,300,147,488 common shares from the unissued capital stock through a private placement at a price based on a premium over the Parent Company's shares closing price on November 29, 2018. The BOD approved and ratified the issuance and subscription of its 1,300,147,488 common shares at an issue price of ₱3.60 on the same date.

In March and April 2019, 1,217,647,488 common shares were subscribed at ₱3.60 per share by virtue of the subscription agreements entered into by the Company with various investors. The proceeds from the issuance were used to refinance the Company's existing obligations, for expansion programs and working capital requirements.

On January 31, 2020, the Parent Company redeemed all of its 1.65 million preferred shared at ₱1.00 per share.

On June 15, 2021 and July 30, 2021, the BOD and stockholders of the Company, respectively, approved the reclassification of DigiPlus' 1.65 million preferred shares into common shares. On November 22, 2021 and January 7, 2022, the BOD and stockholders, respectively, approved the reclassification of the remaining 1.0 billion authorized unissued preferred shares into common shares. On May 26, 2022, the SEC approved the amendments of the Articles of Incorporation.

On March 7, 2022, the BOD approved and authorized the issuance of 1,272,352,512 common shares at an issue price of ₱1.65 per share to various subscribers. Pursuant to the Subscription Agreements, the payment of the subscription price to the Company shall be fully paid by the subscribers within 90 days from signing of their respective Subscription Agreements, which fell on June 9, 2022. On May 10, 2022, the Board approved the extension of the deadline to pay up to August 9, 2022. On August 8, 2022, the Company received the full payment of the subscription amount from all the private placement subscribers. The 1,272,352,512 subscribed shares were issued from the 1,650,000,000 treasury shares.

On September 15, 2022, the BOD approved the amendment of the Parent Company's Articles of Incorporation to change the: (a) name of the Parent Company to "Digiplus Interactive Corp."; and (b) business address of the Parent Company from Pasig City to Taguig City. On the same date, the BOD further approved the: (a) issuance of 691,200,000 common shares to various subscribers at ₱1.70 per share or 5% above the 30-day volume-weighted average price prior to stockholders' meeting; and (b) increase in authorized capital stock from ₱5 billion to ₱7 billion.

On February 28, 2023, the Securities and Exchange Commission approved the change of corporate name of the Company from "Leisure & Resorts World Corporation" to "DigiPlus Interactive Corp."

In view of the foregoing, the Company has changed its stock symbol from "LR" to "PLUS".

*Subsidiaries*

**AB Leisure Exponent, Inc. (ABLE)**

On March 31, 1995, ABLE was registered with the SEC. The primary purpose of ABLE and its subsidiaries is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic, pull tabs and rapid bingo games. Doing business as Bingo Bonanza Corporation, ABLE has established itself as the pioneer in professional bingo gaming in the Philippines. It has thirty (30) subsidiaries including two (2) bingo parlors operated by minority owned affiliates. Philippine Amusement and Gaming Corporation (PAGCOR) granted ABLE and subsidiaries/affiliates the authority to operate bingo games pursuant to PD 1869. Since then, bingo outlets of ABLE and its subsidiaries have become community and entertainment centers, a source of revenue for the government, and a sponsor for fund-raising activities relating to social and educational programs.

**Total Gamezone Xtreme Incorporated (TGXI)**

On July 21, 2014, the Company entered into an Asset and Share Purchase Agreement with Premiere Horizon Alliance Corporation (PHAC) to purchase the latter's 100% stake in TGXI. TGXI is the assignee and purchaser of the assets, rights and interests of Digiwave Solutions, Inc. (DSI), the operator and licensee of PAGCOR e-games stations.

On November 9, 2020, the Company's BOD approved the increase in the authorized capital stock from ₱500.0 million to ₱1.0 billion divided into 10.0 billion shares with par value of ₱100 each. The SEC approved the increase on January 5, 2021.

On December 2, 2024, the BOD of TGXI approved the declaration of cash dividend totaling ₱13.0 billion to stockholders of record as of December 31, 2024.

As of December 31, 2024, TGXI is a wholly owned subsidiary of DigiPlus with 3,429,995 shares and paid-up subscription in the amount of ₱249,999,500, with par value of ₱100 per share.

**Gamemaster Integrated Inc. (Gamemaster)**

On October 18, 2017, Gamemaster Integrated Inc. (formerly G Boracay Beta Holding Corp.) (the "Company") was registered with Philippine Securities and Exchange Commission (SEC) primarily among others, to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including share of stocks, bonds, debentures, notes, evidences of indebtedness.

In September 2023, the Company applied for a change in its corporate name from "G Boracay Beta Holding Corp." to "Gamemaster Integrated Inc." and its primary purpose to engage in, purchase, acquire, establish, own, hold, sell, lease, conduct, operate, mange, and/or furnish general amusement, gaming operations and recreational services to the public such as, but not limited to, bingo games, electronic games, traditional bingo, electronic bingo, sports betting, social games, ballroom dancing, tea and garden parties, movie premiers, stage plays, basketball games, concerts, variety shows and other similar related business activities, land-based gaming, remote gaming, electronic gaming and their facilities and other gaming ventures, including but not limited to integrated resort casinos, bingo parlors, lotto, games of chance, gaming marketing; and to carry on any lawful business activities and to do accomplishment of any of the purposes enumerated or incidental to the powers of the corporation. On September 15, 2023 the SEC approved the Company's application to change its corporate name and primary purpose.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from G-Boracay Land Holdings Inc. (GBLHI) to DigiPlus Interactive Corp.

**Blue Chip Gaming and Leisure Corporation (BCGLC)**

On October 9, 2009, BCGLC was registered with Philippine SEC. Its primary purpose is to provide investment, management, counsel, and to act as agent or representative for business enterprises engaged in gaming, recreation and leisure activities. On October 20, 2009, BCGLC (lessor), as the authorized representative of Munich Management Limited - a foreign corporation duly organized and registered in British Virgin Islands, entered into a contract of lease with PAGCOR (lessee) for the use of slot machines and gaming facilities.

On April 27, 2011, DigiPlus purchased 26,250 shares of BCGLC representing 70% of BCGLC's outstanding capital stock. The purchase was ratified by DigiPlus' BOD on May 24, 2011. On December 1, 2015, DigiPlus purchased the remaining 30% or 11,250 shares from BCGLC's minority stockholders.

On July 24, 2015, BCGLC incorporated a subsidiary, Gold Coast Leisure World Corp. (GCLWC) with authorized capital stock of ₱15.0 million divided into 150,000 shares with par value of ₱100 per share, of which ₱3.75 million has been subscribed. GCLWC was incorporated to comply with Section 18, Chapter III of the Implementing Rules and Regulations of Republic Act No. 7227. GCLWC obtained an Enterprise Registration with the Subic Bay Metropolitan Authority in 2016.

On December 17, 2015, BCGLC received a letter from PAGCOR, informing that its BOD approved and confirmed the assignment in favor of BCGLC of the Contracts of Lease over four PAGCOR VIP Clubs at: (1) Venezia at Subic Bay Freeport Zone, Subic Zambales with Palmgold International Limited; (2) Pan Pacific, Malate Manila with Pacific Palm Corporation; (3) Paseo Premier Hotel, Sta. Rosa Laguna with Pacific Palm Corporation; (4) Apo View Hotel, Davao City with Pacific Palm Corporation; and (5) Bacolor, Pampanga with Kings Royal Hotel and Leisure Park Corporation.

On January 18, 2016, BCGLC assigned the VIP Club at Venezia at Subic Bay Freeport Zone to its subsidiary, GCLWC.

On January 28, 2016, the Amended Contracts of Lease of three (3) VIP Clubs, namely Pan Pacific, Paseo Premier Hotel and Apo View Hotel were executed under the name of BCGLC, while the other VIP Club, Venezia at Subic Bay Freeport Zone was under the name of GCLWC.

**Prime Investment Korea Inc. (PIKI)**

On March 22, 2013, DigiPlus purchased 10,000,000 shares of PIKI representing 100% ownership at a price of ₱1,000,000. The purchase was ratified by DigiPlus' BOD on June 10, 2013. The acquisition is in line with the Group's goal to expand and venture in other forms of gaming.

PIKI started its commercial operations on July 26, 2013. Together with Philippine Amusement and Gaming Corporation (PAGCOR), PIKI executed a Junket Agreement to jointly conduct junket gaming operations within PAGCOR's Casino Filipino-Midas located at Midas Hotel and Casino in Roxas Boulevard, Pasay City.

In 2020, PIKI ceased its operations.

**Hotel Enterprises of the Philippines, Inc. (HEPI)**

On November 11, 2012, DigiPlus executed an Investment Agreement with Eco Leisure and Hospitality Holding Company, Inc. ("Eco Leisure") and HEPI for the acquisition of 51% of the outstanding capital stock of HEPI which owns and operates the Midas Hotel and Casino. DigiPlus' total investment in HEPI, paid in cash, is ₱750.0 million. DigiPlus and Eco Leisure executed a Shareholders' Agreement to embody their mutual agreements and covenants concerning the sale and purchase of HEPI's shares, respective rights and obligations while certain covenants and conditions have not been fully complied by the parties under the Investment Agreement.

On March 10, 2016, the BOD approved the amendment of HEPI's Articles of Incorporation particularly on: (a) Article II Primary Purpose, (b) Article IV extending the term of the corporate existence of the HEPI to another fifty (50) years from July 30, 2012, (c) Article VI decreasing the number of the BOD to 7, and (d) Article XI adding new provisions governing the issuance and transfer of shares of the corporation.

**First Cagayan Leisure and Resort Corporation (FCLRC)**

On April 26, 2000, FCLRC was incorporated with the Philippine SEC. DigiPlus acquired 35% of the outstanding capital stock of FCLRC by purchasing 43,750 shares with a par value of ₱100 per share on September 20, 2005. FCLRC has an existing License Agreement with the Cagayan Economic Zone Authority (CEZA) to develop, operate, and conduct internet and gaming enterprises and facilities in the Cagayan Special Economic Zone Free Port (CSEZFP). Pursuant to the License Agreement, FCLRC was issued the "CEZA Master Licensor Certificate" certifying that FCLRC is duly authorized to regulate and monitor on behalf of CEZA all activities pertaining to the licensing and operation of interactive games. On March 3, 2006, DigiPlus' BOD approved the additional investment of 40,000 shares in FCLRC for an aggregate amount of ₱32.0 million. This additional subscription to FCLRC's shares brought DigiPlus' total investment to 83,750 shares representing 50.75% of the issued and outstanding capital stock. On April 3, 2006, the BOD approved the acquisition of 31,250 shares (prior to issuance of the additional subscription) of FCLRC, from one of its shareholders, Joanna Heights, Inc., for an aggregate amount of ₱25.0 million on the same terms as the earlier additional subscription. The acquisition was completed upon execution of the Deed of Assignment of Rights on September 27, 2006. With this acquisition, DigiPlus holds 115,000 shares representing 69.68% of the issued and outstanding capital stock of FCLRC.

In 2023, DigiPlus acquired an additional 17.59% interest in the shares of FCLRC, increasing its ownership interest to 87.27%. Cash consideration was paid to the non-controlling shareholder amounting ₱2.9 million.

In 2024, DigiPlus acquired additional 10% minority interest in FCLRC increasing its ownership interest to 97.27%. Cash consideration was paid to the non-controlling shareholder amounting ₱1.65 million.

**LR Data Center and Solutions Inc. (LRDCSI)**

On May 20, 2016, LRDCSI was registered with SEC primarily to engage in information technology and communication and to own, develop, produce, design, integrate, install, sell buy, rent, establish, manage, audit, rehabilitate, operate, lease except financial leasing or otherwise dispose of and generally deal in and with systems, facilities, equipment, devices and services involving the processing, movement, monitoring and retrieval of information including but not limited to data, voice, image, video, audio, tone or any form or kind of communication whatsoever, such as but not limited to Internet Protocol (IP) Systems products and their improvements, provide services related thereto, such as value added services (VAS), voice over internet protocol (VOIP), internet merchant payment processing and payment solution, premium dial up access services, IP-wide area network services, software development and applications, data center services, co-location services, bandwidth, disaster recovery services and managed services and such allied undertakings, and as a consequence and as may be necessary useful and convenient in the premises, carry on and undertake such activities which may be reasonably and conveniently carried on in connection with or incidental to above purpose, or calculated, directly or indirectly, to enhance the value of or render profitable, any of the Corporation's property or rights.

The Company is 80% owned by DigiPlus.

The Company stopped its commercial operations on July 2022.

**AB Leisure Global, Inc. (ABLGI)**

On October 20, 2009, SEC approved the incorporation of another wholly owned subsidiary, AB Leisure Global, Inc. (ABLGI), whose primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as but not limited to resorts, golf courses, clubhouses and sports facilities, hotels and gaming facilities, with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith. The authorized capital stock of ABLGI is ₱5.0 million, divided into 50,000 shares with par value of ₱100 per share, of which ₱1.25 million has been subscribed and ₱312,500 has been paid up. On May 6, 2013, the Company's BOD approved the increase in the authorized capital stock from ₱5.0 million to ₱2.0 billion divided into 20,000,000 with par value of ₱100 per share. The SEC approved the increase in February 2014. As of December 31, 2013, DigiPlus has subscribed and paid ₱1.45 billion.

In 2014, DigiPlus subscribed and paid additional ₱98.75 million bringing its total investment to ₱1.55 million.

In 2017, ABLGI incorporated 7 subsidiaries (direct and indirect) including its land holding company for the Boracay project.

On November 27, 2017, the BOD authorized ABLGI to avail a loan facility with BDO Unibank, Inc. and approved the terms and transactions contemplated by the Omnibus Loan and Security Agreement by and among ABLGI as borrower, share mortgagor, mortgagor and assignor, ABLGI subsidiaries as sureties, share mortgagors, mortgagors and assignors, DigiPlus as share mortgagor, mortgagor and surety, ABLE, TGXI, PIKI, BCGLC and FCLRC as sureties, BDO Unibank, Inc. as lender, and BDO Unibank, Inc. - Trust and Investments Group as security trustee. The loan was paid in full in January 2023.

**LR Land Developers Inc. (LRLDI)**

On December 11, 2007, the SEC approved the incorporation of a wholly owned subsidiary, Northern Philippines Land and Property Development Inc. (NPLPDI), whose primary purpose is to engage in the business of purchasing, leasing, owning, using, improving, developing, subdividing, selling, mortgaging exchanging, leasing, and holding for investment or otherwise, real estates of all kinds and build or cause to be built on any such land owned, held or occupied for management or disposition buildings, houses, or other structures with their appurtenances. On March 3, 2008, SEC approved the amendment to the Articles of Incorporation changing its name to LR Land Developers, Inc.

On April 16, 2012, Techzone Philippines, Inc. (TPI) was incorporated, a 50% owned associate of LRLDI, which is engaged in the acquisition, lease, donation, etc. of real estate of all kinds. TPI started its commercial operations in 2016.

On November 4, 2019, the Company sold the 50% interest of TPI shares for the selling price of ₱1.75 billion.

**Diginvest Holdings Inc. (Diginvest)**

On September 30, 2024, Diginvest was incorporated as a wholly-owned subsidiary of DigiPlus with the primary purpose to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligations of any other corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefore in money or by exchanging therefore stocks, bonds, property or other evidence of indebtedness or securities of this or any corporation, stocks, bonds, debentures, contracts or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property, and to possess and exercise in receipt thereof all the rights, powers and privileges of ownership, including all voting powers or any stock so owned; without acting as a broker/dealer in securities. The principal office of Digincest is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

**Binondo Leisure Resources, Inc. (BLRI)**

On February 11, 2003 BLRI was incorporated and subsequently amended on July 2, 2003. On July 25, 2003, the Company signed a Memorandum of Agreement (MOA) with BLRI. In accordance with the MOA, the Company acquired a 30% interest in BLRI through the assignment of shares. The MOA also indicated that the Company would subscribe to 200,000 preferred shares of BLRI with a par value of ₱100. On May 13, 2004, the SEC approved BLRI's application for the increase in its authorized capital stock from ₱5.0 million divided into 50,000 common shares with par value of ₱100 per share, to ₱50.0 million divided into 200,000 common shares and 300,000 preferred shares both with par value of ₱100 per share.

On June 4, 2018, the BOD approved the declaration of cash dividend equivalent to ₱0.0425 per share payable to all preferred stockholders of record as of June 20, 2018. On July 19, 2019, the BOD approved the declaration of cash dividend equivalent to ₱0.0942 per share payable to all preferred stockholders of record as of August 2, 2019. On October 24, 2019, the BOD approved the declaration of cash dividend equivalent to ₱0.0471 per share payable to all preferred stockholders of record as of December 31, 2019.

There were no cash dividends declared by the BOD to common stockholders of the Company in 2024 and 2023.

*Products, Games and Distribution Methods*

*Online Products*

**BingoPlus**

BingoPlus is the Philippines' first interactive live streaming digital bingo platform that continues to bring fun and excitement to bingo-loving Filipinos nationwide. From its launch in January 2022 as the first online bingo app in the country, it has expanded into a platform offering various forms of entertainment for Filipinos.

To bring variety to the platform, BingoPlus also offers over 1,000 electronic games on its platform. Games offered range from e-bingo, card games, live color games, carnival games, and slot games.

In 2024, BingoPlus continued to seamlessly integrate its online and offline customer experience. Aside from 24/7 live streaming, its cutting-edge information technology infrastructure is complemented by its 148 physical sites spread out across the Philippines.

**ArenaPlus**

Launched in February 2023, ArenaPlus is an online sports betting platform focused on making local and international sports more accessible to Filipinos. ArenaPlus provides its services through its website and mobile app, ensuring convenience to its users as they avail of the live sports event streaming and remote gaming system to place and transact any type of sports bet.

ArenaPlus has been developed to provide the latest scores and results from a wide range of games worldwide, including basketball, baseball, soccer, volleyball, boxing, and many more. The platform's security also adds a layer of confidence that allows players to freely enjoy the app. Beyond providing entertainment to Filipinos, ArenaPlus partners with local sports organizations to bring more recognition to Philippine athletes and niche sports.

## GameZone

GameZone is revolutionizing digital gaming with a cutting-edge, player-focused platform that offers thrilling, high-quality betting experiences. With its live streaming capability and exclusive Player vs. Player (PVP) mode for Tongits, alongside a diverse range of classic card and betting games, GameZone delivers an unparalleled level of engagement and competition. Designed for the next generation of gamers, it continuously pushes the boundaries of digital gaming innovation.

*Offline Products*

As of December 31, 2024, the Group owns 126 bingo parlors nationwide, of which 119 sites are operating while 7 sites are temporary closed and 22 e-Games branches, of which 19 are operating while 3 sites remained temporary closed.

Most of these bingo parlors are located in major shopping malls in Metro Manila and in key provincial cities. Enumerated below is a list of bingo branches, subsidiaries/affiliates and its locations.

## Bingo Parlors

| Company | Location | |
|---|---|---|
| AB Leisure Exponent, Inc. | 1 | Building A, SM Megamall, J. Vargas Street, EDSA, Mandaluyong City |
| | 2 | Sta. Lucia East Mall, Cainta, Rizal |
| | 3 | SM City, North EDSA, EDSA, Quezon City |
| | 4 | New Farmers Plaza, EDSA, Quezon City |
| | 5 | Makati Cinema Square, Pasong Tamo, Makati City |
| | 6 | SM Southmall, Almanza, Las Pinas City |
| | 7 | IL Centro, Sta.Lucia East Grandmall Marcos Highway, cor Felix Ave., Cainta Rizal |
| | 8 | J Ramos Bldg., Poblacion Zone 1 Bayambang, Pangasinan |
| | 9 | JSR, Kareenan Street, Roxas Blvd., San Carlos City, Pangasinan |
| | 10 | Benry Square, McArthur Highway, Brgy. San Nicolas, Tarlac City |
| | 11 | 2/F Live Bistro Building, Sitio Paroba, Barangay Tibag, Tarlac City |
| | 12 | T - 1,2,3 City Mall F. Quimpo St., Pob. Kalibo, Aklan |
| | 13 | Ground floor, FGD Bldg. Barangay Guiguilonen corner Navaluan, Mangaldan Pangasinan |
| | 14 | M Place 2, Maharlika Highway, Matias District, Talavera |
| | 15 | Ground Floor, Metro Central Mall, Sitio Antipolo, Brgy. Labuin, Sta. Cruz, Laguna |
| | 16 | Ground Floor, City Mall Anabu 357, Aguinaldo Highway Imus Cavite |
| | 17 | Ground Floor, Victory Central Mall, Brgy. Balibago, Sta. Rosa City, Laguna |
| | 18 | 2nd Floor Pacific Mall, Legazpi City, Albay |
| Alabang Numbers & Gaming Corp. | 19 | V-Central Mall, Molino Bacoor, Cavite |
| Allpoint Leisure Corporation | 20 | 3rd Floor, SM Centerpoint, Araneta Avenue cor Magsaysay |
| Alpha One Amusement and Recreation Corp. | 21 | GF & 2F Romero Bldg., 1337 Balintawak Market, EDSA, Balingasa, Quezon City |
| Big Time Gaming Corporation | 22 | G/F QY Plaza, 233 Tomas Morato Ave., South Triangle 4, Quezon City |
| | 23 | Robinsons' Supermarket, EMA Town Center, Brgy. Camalig, Meycauayan Bulacan |
| | 24 | G/F Madison Square Alabang Zapote Road, Las Pinas City |
| | 25 | 2/F Bocobo Commercial Center, #1244 Legaspi St., Bocobo cor Padre Faura St., Ermita Manila |
| | 26 | G/F A.S. Commercial Bldg., Unit A, B, C, Falcon St., Brgy Poblacion 5, Sta. Cruz, Laguna |
| | 27 | G/F Sogo Bldg., Brgy San APA Mahalika Highway, Cabanatuan City |

| Company | Location | |
|---|---|---|
| | 28 | Puregold San Mateo, Km 21 Gen. Luna St., Brgy Banaba, San Mateo Rizal |
| | 29 | G/F Icon Hotel, #967 EDSA corner West Avenue, Brgy. Philam, Quezon City |
| | 30 | 2F Parkmall E. Ouano Ave. Brgy. Tipolo City South Mandaue Reclamation Area,Special Economic Administrative Zone Mandaue City |
| | 31 | SkyOne Bldng., Brgy. Isidro Angono Rizal |
| | 32 | G/F Roben Theatre, C. M Recto Avenue Brgy. 313 Zone 31, Sta. Cruz Manila |
| | 33 | G/F Jea Bldg. Lopez St., Corner Jalandoni St., Iloilo City |
| | 34 | 31 J.P. Rizal St, Brgy. Tabok, Mandaue City |
| | 35 | Lucky Chinatown Mall, #293 Lachambre St., Binondo, Manila |
| | 36 | Ground Floor, Robinson’s Place,J. Catolico Sr. Avenue, Barangay Lagao, General Santos City |
| | 37 | Syquio Business Center Maharlika Highway, Brgy. Daan Sarile Cabanatuan City |
| | 38 | 2nd Flr. Blue Horizon Bldg., Quezon Avenue Poblacion Alaminos City Pangasinan 2404 |
| | 39 | Dizon Building # 244 Entiero Street, Brgy. Sto. Cristo, Angeles City Pampanga |
| | 40 | 2nd flr. Sir Thomas Square. No.18 Matalino St. corner Matatag st. Diliman Quezon City |
| | 41 | #14 Tanjuatco Building, Sampaloc Road, Plaza Aldea, Tanay Rizal |
| | 42 | Bldg Sitio Kanluran, Kumintang Ibaba, Batangas City |
| Bingo Dinero Corporation | 43 | SM City, North Reclamation Area, Cebu City |
| Bingo Extravaganza, Inc. | 44 | SM Sucat, Sucat Road, Paranaque City |
| | 45 | SM City Bicutan, Don Bosco, Paranaque City |
| | 46 | Tonie's Mart, Puerto Princesa, Palawan |
| | 47 | A. Salvador St., Sta. Veronica, Guimba, Nueva Ecija |
| | 48 | #424 Division Road, Brgy. Sta. Rosa, Bayombong Nueva Vizcaya |
| Bingo Gallery Incorporated | 49 | SM City Mastersons Ave., Canitoan, Cagayan de Oro City |
| Bingo Palace Corporation | 50 | Robinson's Place, Ermita, Manila |
| | 51 | SM Mall of Asia, Pasay City |
| | 52 | LGF Congresssional Town Center, #23 Congressional Avenue, Quezon City |
| | 53 | G/F Robinson's Luisita, Brgy. San Miguel, Hacienda Luisita Tarlac |
| | 54 | 242- C Manly Building Mac Arthur Hi-Way, Dalandanan Valenzuela City |
| | 55 | UG/F Puregold Novaliches 1018 Quirino Highway Novaliches Quezon City |
| | 56 | LG/F, Imall-Camarin. Kiko Rd., Camarin, Caloocan City |
| | 57 | GD Plaza, Mc Arthur Highway, Brgy. Ilang Ilang, Guiguinto, Bulacan |
| Cebu Entertainment Gallery Inc. | 58 | Elizabeth Mall, Leon Kilat St., Cebu City |
| First Leisure & Game Co., Inc. | 59 | G/F Art District Bldg., Lacson St., Lopue's Mandalagan, Bacolod City |
| | 60 | G/F Gustilo Town Center & Northland Resort, Provincial Road cor National Highway, Manapla, Negros Occidental |
| | 61 | G/F Gaisano Mall, Araneta St., Brgy. Singcang, Bacolod City, Negros Occidental |
| | 62 | G/F Gaisano Mall, Cagba, Brgy. Tugbu, Masbate City |
| | 63 | G/F Centro Mall Lopez Ave., Batong Malake, Los Banos, Laguna |
| | 64 | Rosalie Bldg. Gaisano Door, Brgy. Tabunok Talisay City Cebu |
| | 65 | 2/F Felcris Centrale, Quimpo Boulevard, Brgy. 40-D Davao City |
| | 66 | Grand Gaisano Mall Quezon Ave. Digos City Davao |
| | 67 | G/F DOORS 107/108, JLF Parkway Building A. Pitchon Corner Quirino STS. Davao |
| | 68 | SM Lanang Premier, Jose P. Laurel Ave., Brgy. San Antonio Agdao, Davao |

| Company | Location | |
|---|---|---|
| | | City |
| | 69 | Chimes Mall, Brgy.27 C,Gov.Sales st. cor Sta. Ana Ave., Davao City |
| | 70 | City Mall Mandalagan, Lacson St. cor. G.M. Cordova Ave., Mandalagan, Bacolod City |
| Gamexperience Entertainment Corp. | 71 | G/F Greenhills Town Center, Valencia Quezon City |
| | 72 | Pueblo Verde, Mactan Economic Zone-11-Sez, Brgy. Basak |
| | | Lapu-Lapu City, Cebu |
| | 73 | Ground flr. Gaisano Grandmall Mactan Basak, Marigondon Road corner Ibabao, Gisi-Agus Road, Lapu-Lapu City, Cebu |
| | 74 | 2nd flr. Blocked D, Mactan Marina Mall, MEPZ 1 Brgy. IB, Lapu-Lapu City Cebu |
| G-One Gaming and Technology Inc. | 75 | SM City Bacoor, Tirona Highway, Cavite |
| Grand Polaris Gaming Co. Inc. | 76 | 2/F SM City Cauayan, San Fermin, National Highway, Cauayan City, Isabela |
| | 77 | LGU Commercial Bldg., Osmena Avenue, Roxas, Isabela |
| Highland Gaming Corporation | 78 | Baguio Centermall, Baguio City |
| | 79 | SM City Baguio, Luneta Hill, Baguio City |
| Ilo-Ilo Bingo Corporation | 80 | SM City Iloilo, Manduriao, Iloilo City |
| Isarog Gaming Corporation | 81 | SM City Naga, CBD2, Brgy. Trianggulo, Naga City |
| | 82 | B3, Unit 1,2,3,544, 55 & 56 ALDP Mall, Roxas Ave Triangulo, Naga City |
| Manila Bingo Corporation | 83 | SM City Fairview, Regalado, Fairview, Q.C. |
| Metro Gaming Entertainment Gallery Inc. | 84 | SM Supercenter, Molino Rd., Bacoor, Cavite |
| | 85 | 5/F 168 Divisoria Mall, Soler St. Binondo, Manila |
| | 86 | Unit GF, ANS-08 Pasay City Mall Ave cor Arnaiz, Pasay City |
| | 87 | RSAM Center Bldg., J.P. Laurel Cor. Munting Bayan St., Bgry Poblacion IX, Nasugbu, Batangas |
| | 88 | Starmall, Bgry Kaypian San Jose Del Monte, Bulacan |
| | 89 | Metro Towne Center, Marcos Alvarez Avenue, Las Pinas City |
| Negrense Entertainment Gallery Inc. | 90 | Ground Floor, Lee Plaza, Hypermart, Bagacan, Dumaguete City |
| | 91 | Ground Floor, CityMall Dumaguete, Veterans Avenue, National Highway, Dumaguete City |
| | 92 | G/F City Mall Golden Field-Bacolod West Side, Araneta Ave. |
| One Bingo Place, Incorporated | 93 | SM City Manila, Arroceros St., Manila |
| One Bingo Pavilion Inc. | 94 | Puregold Price Club, Magsaysay Road, Brgy. San Antonio, San Pedro, Laguna |
| | 95 | Sky One Bldg, Brgy. Baleleng, Bantay, Ilocos Sur |
| | 96 | TLJ Building G/F & 2F Brgy. Mabiga, Mabalacat, Pampanga |
| | 97 | S and R Centre, De Venecia Ave., Nalsian, Calasiao, Pangasinan |
| Rizal Gaming Corporation | 98 | Robinson's Place, Cainta, Rizal |
| | 99 | Robinsons Boutique, Cainta, Rizal |
| | 100 | ITSP Bldg, Ortigas Ave., Bgry San Isidro, Taytay, Rizal |
| | 101 | 2nd Flr., Graceland Plaza Bldg., J.P. Rizal St., Brgy. Malanday, Marikina City |
| | 102 | Hollywood Suites and Resort, Mac Arthur Highway, Brgy Ibayo, Marilao Bulacan |
| | 103 | RMR Graceland, 858 Tandang Sora Avenue, Brgy. Tamo, Quezon City |
| | 104 | 2/F, Ardi Commercial Complex, A.Bonifacio Ave. Parola, Cainta, Rizal |
| SG Amusement and Recreation Corp. | 105 | Wilson Square, P. Guevarra, San Juan City |
| | 106 | San Juan Commercial Bldg. F. Manalo corner F. Blumentritt San Juan City |
| | 107 | SM Land Anza Bldg. Makati Ave. Cor Anza St., Bel -Air, Makati City |
| South Bingo | 108 | SM City Davao, Quimpo Blvd., Davao City |

| Company | | Location |
|---|---|---|
| Corporation | 109 | G/F Victory Town Center, Lemery Batangas |
| South Entertainment Gallery Inc. | 110 | SM City, San Fernando City, Pampanga |
| | 111 | SM City Tarlac, San Roque, Tarlac City |
| | 112 | Robinsons Calasiao, Calasiao, Pangasinan |
| Summit Bingo Inc. | 113 | 2nd Flr., New St Bldg., Macarthur Highway, Balibago, Angeles City, Pampanga |
| Topnotch Bingo Trend Inc. | 114 | G/F Metropoint Mall, Edsa Taft, Pasay City |
| | 115 | 2/F SM City Batangas, Pallocan West, Batangas City |
| | 116 | 2/F SM City Rosario, Brgy. Tejero Convention, Rosario, Cavite City |
| | 117 | 2/F SM City Rosales, Mc Arthur Highway, Carmen East, Rosales, Pangasinan |
| | 118 | 2/F Sm City Marikina, Brgy. Calumpang, Marikina City |
| | 119 | 2/F SM City Clark, M.A. Roxas Highway, Brgy. Malabanias, Clark, Pampanga |
| | 120 | 2/F SM City Lipa, Ayala Highway, Brgy Maraouy, Lipa City, Batangas |
| | 121 | LGF SM City San Lazaro. F. Huertas St., Sta. Cruz, Manila |
| | 122 | SM City Taytay, B1 Bldg. A, Brgy. Dolores, Taytay, Rizal |
| | 123 | 94 Timog Ave., Ybardolaza street Cor.,Sacred Heart, Quezon City |
| Topmost Gaming Corporation | 124 | 2nd Flr., SM City Novaliches, Quirino Highway, Novaliches, Quezon City |
| | 125 | 2nd Floor, Fortune Plaza Bldg. MacArthur Highway, Brgy. Wawa Balagtas, Bulacan |
| | 126 | Sapphire Bldg., Govic Avenue, Paulien Dirita, Iba Zambales |

**E-Games Branches**

| Company | | Location |
|---|---|---|
| Total Gamezone Xtreme Incorporated | 1 | 2F SM Building, Barangay San Antonio, Biñan, Laguna |
| | 2 | 2F ECG Bldg National Road Brgy. Pantok Binangonan Rizal |
| | 3 | 2nd Floor Saunterfield Bldg. Km 20 Brgy. Sto. Nino Ortigas Ave. Extension Cainta, Rizal |
| | 4 | Unit 5, Paseo de Carmona, Brgy. Maduya, Carmona, Cavite |
| | 5 | 2F, Don Antonio Sports Complex, Brgy Holy Spirit, Quezon City |
| | 6 | 2nd Flr., GD Plaza, Mc Arthur Highway, Brgy. Ilang ilang, Guiguinto, Bulacan |
| | 7 | 175 Katipunan Ave., Loyola Heights, Quezon City |
| | 8 | GF, Bautista Arcade, Brgy Binakayan, Kawit, Cavite |
| | 9 | Stall 19, Pineda Building, Mc. Arthur Highway, Mabalacat, Pampanga |
| | 10 | GF, Bldg. B, Madison Square #4, Pioneer Street, Mandaluyong City |
| | 11 | Unit 3 Francis Market, Gov. Halili cor. M.H Del Pilar Sts., Tenajeros Malabon |
| | 12 | 665-A, McArthur Highway, Brgy. Bancal, Meycauayan, Bulacan |
| | 13 | Metro Towne Center, 2020 Marcos Alvarez Ave., Talon 5, Las Piñas City |
| | 14 | Unit 3, Topmark Building, Paz Mendoza Guazon St., Paco, Manila |
| | 15 | 2F, LB Bldg., Paso de Blas Road, Valenzuela City |
| | 16 | Umerez Compound, Tungkong Mangga, San Jose Del Monte City, Bulacan |
| | 17 | Total Gas Station, National Highway, Cagayan Valley Road, Brgy. Kamias, San Miguel, Bulacan |
| | 18 | 141 Cagayan Valley Road, Brgy. Sampaloc, San Rafael, Bulacan |
| | 19 | 112 C Gov. Halili Avenue, Brgy. Bagbaguin, Sta. Maria, Bulacan |
| | 20 | 2F, Starmall Building, EDSA corc. Shaw Blvd., Mandaluyong City |
| | 21 | GF, Puregold Valenzuela, 419 McArthur Highway, Brgy Dalandanan, Valenzuela City |
| | 22 | Units 10 & 11, Bldg. 3, Daanghari, Cuevasville Commercial Center, Molino IV, Bacoor, Cavite |

**Blue Chip Gaming and Leisure Corporation (BCGLC)**

BCGLC has a contract with the Philippine Amusement and Gaming Corporation (PAGCOR) in connection with the VIP Slot Arcade Operation (PAGCOR VIP Club) at Pan Pacific Hotel, Manila, Paseo Premier Hotel, Sta. Rosa, Apo View Hotel, Davao, and Kings Royal Hotel, Bacolor, Universal Park Manila and San Pedro Town Center. Pursuant to the said contract, BCGLC provides the gaming space, high end slot machines, furnitures, fixtures, equipment and systems for the operations of the aforesaid VIP Slot Arcades. The wholly-owned subsidiary of BCGLC, Gold Coast Leisure World Corporation has a contract with PAGCOR for the PAGCOR VIP Club in Venezia Hotel, Subic Bay Economic Zone and Freeport.

*Competition*

The digital gaming industry in the Philippines and other markets where DigiPlus Interactive Corp. operates is highly competitive. DigiPlus competes within the digital gaming and entertainment sector against both established and emerging platforms. The Group faces competition from Playtime, OKBet, CasinoPlus, Bet88, and other digital gaming operators offering similar services.

DigiPlus competes on the basis of game variety, platform reliability, user experience, promotions, brand reputation, security, and regulatory compliance. Key competitive factors also include technological innovation, customer engagement, digital marketing strategies, and loyalty programs.

Beyond attracting and retaining players, DigiPlus also competes for talent, technology partnerships, strategic alliances, and regulatory approvals that are crucial for expansion. The company believes that its competitive advantage lies in its innovative gaming offerings, secure and user-friendly platform, attractive incentives, and strong brand presence.

To strengthen its market position, DigiPlus plans to continue expanding its platform capabilities, game portfolio, and promotional campaigns while enhancing customer engagement through targeted marketing, strategic partnerships, and technological advancement.

*Supply Chain*

DigiPlus operates within the digital gaming and entertainment industry, relying on a robust and secure supply chain to ensure the seamless delivery of its gaming products and services. The Group's supply chain is composed of technology providers, software developers, payment processors, compliance partners, and digital infrastructure providers that support its gaming operations.

*Gaming Software and Platform providers*
DigiPlus partners with reputable gaming software developers and platform providers to offer a diverse portfolio of games, including casino games, sports betting, and interactive entertainment. These partnerships ensure high-quality gaming content, regulatory compliance, and continuous platform updates to enhance user experience.

*Payment Gateways*
The Group also collaborates with multiple payment gateways, banks, and e-wallet providers to facilitate secure and efficient transactions for deposits and withdrawals. Strict security protocols, encryption technologies, and fraud prevention measures are implemented to safeguard customer transactions.

*Infrastructure*
The Group works with global and local IT service providers to maintain high availability and data integrity.

*Regulatory Compliance and Licensing Partners*
The Group adhere to the industry regulations set by the Philippine Amusement and Gaming Corporation (PAGCOR) and other relevant regulatory bodies. These help DigiPlus maintain responsible gaming practices and compliance with anti-money laundering (AML) requirements.

*Marketing and Affiliate Networks*
DigiPlus leverages a network of marketing agencies, affiliates, and digital advertising platforms to drive customer acquisition and retention. The Company actively invests in targeted campaigns, promotions, and loyalty

programs to enhance player engagement.

*Customers*

DigiPlus caters to a diverse customer base across various economic segments. The Group is not reliant on any single customer or a small group of customers for its revenue. No individual player or account contributes to 20% or more of the Group's revenue, ensuring a well-distributed revenue stream across its user base.

*Intellectual Properties*

The Group owns various trademarks, trade names, service marks, and other intellectual property rights, that are fundamental to its digital gaming operations. These intellectual property assets, particularly trademarks and proprietary software, play a vital role in the company's success by strengthening brand recognition, ensuring platform security, and maintaining user confidence.

The Group has registered its trademarks in key jurisdictions where it operates. As of December 31, 2024, the company holds over 100 trademarks, trade names, and service marks. The Group is responsible for managing and renewing the necessary trademark registrations to safeguard their respective brands. Trademark registrations generally remain valid as long as they are in active use, subject to the certain regulations. The Group also has pending trademark applications and anticipates their approval in due course.

Beyond trademark registration, the Group employs a comprehensive approach to intellectual property protection, utilizing (i) patent, trademark, and copyright; (ii) non-disclosure agreements with employees and third parties; and (iii) proactive monitoring and enforcement against unauthorized use or infringement. The Group continuously seeks legal remedies to protect its intellectual property portfolio, including trademarks and proprietary gaming technologies.

*Government Regulations*

*PAGCOR Licenses*
The Group holds PAGCOR gaming licenses, which authorizes the Group to operate as a gaming provider and operator in the Philippines. PAGCOR, a government-owned and controlled corporation, is the primary agency responsible for regulating and licensing gaming operations, including both land-based and digital gaming platforms. The Group's PAGCOR licenses enable the Group to offer a variety of gaming services, including online games, sports betting, and slot games.

*Cagayan Economic Zone Authority (CEZA) Master License*
DigiPlus, through its subsidiary, FCLRC, also holds a CEZA gaming license, which authorizes FCLRC to operate as a master licensor in the Cagayan Economic Zone.

As Master Licensor for interactive operations in the Cagayan Special Economic Zone and Free Port (CSEZFP), FCLRC is entitled to tax incentives under Section 4c of RA No. 7922 (CEZA law). No taxes, local and national shall be imposed on business establishments operating within the CSEZFP. In lieu of paying taxes, FCLRC shall pay and remit to the National Government 5% of their gross income less allowable deductions. Gross income shall refer to gross sales or gross revenues derived from business activity within the CSEZFP, net of sales discounts, sales returns and allowances and minus costs of sales or direct costs but before any deduction is made for administrative, marketing, selling and/or operating expenses or incidental losses during a given taxable period.

The Company is also required to comply with additional reportorial obligations to the SEC, PSE, Bureau of Internal Revenue (BIR), as well as secure permits for the establishment and ongoing operations of its bingo parlors and e-games branches. The Group ensures full compliance with all such regulatory.

*Transactions with and/or Dependence on Related Parties*

The Company's transaction with its subsidiaries and/or affiliates consists mainly of non-interest-bearing advances to and from subsidiaries and/or affiliates, officers, and employees which are subject to liquidation within 12 months from date granted or collectible in cash upon demand.

*Research and Development*

The Group continuously invests in research and development (R&D) to enhance its gaming platform, improve user experience, and strengthen its competitive position in the digital gaming industry. The Group's R&D efforts focus on technological innovation, game development, platform security, and data-driven customer engagement strategies to ensure sustainable growth and market leadership.

The following are the key R&D initiatives of the Group:

- Game Innovation and Content Development
- Platform Optimization and User Experience Enhancement
- Cybersecurity and Fraud Prevention
- Big Data

The Group remains committed to expanding its technological capabilities to stay ahead of industry trends and meet evolving regulatory requirements.

*Cost and effects of compliance with environmental laws*

The Group fully complies with all applicable governmental, environmental, health, and safety regulations. As of December 31, 2024, DigiPlus Interactive Corp. has not encountered any material issues related to these regulatory areas. Similarly, the Company has not been subject to any significant legal or regulatory actions for non-compliance with environmental regulations. DigiPlus consistently allocates resources to ensure compliance with environmental laws as part of its standard operational practices.

For a more detailed discussion on the Company's sustainability initiatives, please refer to the attached Sustainability Report.

*Employees*

The Group has 3,025 employees in the Philippines as at December 31, 2024. This includes personnel provided by manpower agencies.

In addition to all legally mandated benefits, the Group offers employees various training opportunities, both internal and external. Eligible employees may also participate in the Employee Stock Options Plan.

*Major Risks Involved in the Business*

The Company has identified the following as the key risks of the business:

*Regulatory and Compliance Risks*
The digital gaming industry in the Philippines is subject to strict government regulations, primarily enforced by the PAGCOR. Compliance with regulatory requirements, including licensing, taxation, and operational restrictions, is essential to maintaining the Group's legal standing. Any changes in gaming laws, tax structures, or enforcement policies could impact DigiPlus' ability to operate efficiently. Additionally, stricter compliance requirements related to anti-money laundering (AML) regulations, responsible gaming policies, and data privacy laws could lead to increased costs and operational adjustments. The Group mitigates these risks by ensuring strict adherence to regulatory frameworks, actively engaging with government agencies, and maintaining a dedicated legal and compliance team to oversee all legal obligations.

*Cybersecurity and Data Privacy Risks*
As a digital gaming platform, DigiPlus is highly vulnerable to cybersecurity threats, including hacking, data breaches, and fraudulent activities. Unauthorized access to customer data, payment information, and gaming transactions could result in severe financial and reputational consequences. The rise of sophisticated cyber-attacks targeting digital gaming platforms further amplifies the need for robust security measures, real-time threat monitoring, and continuous system enhancements. To protect its users and digital assets, the Company invests in advanced encryption technologies, multi-factor authentication, and regular security audits. Additionally, DigiPlus complies with data protection laws to ensure that player information remains confidential and secure.

*Market Competition Risks*

The digital gaming industry is highly competitive, with numerous operators vying for market share, including Playtime, OKBet, CasinoPlus, Bet88, and other emerging platforms. Competitive pressures may result in lower customer retention rates, increased marketing expenditures, and potential price wars in promotional campaigns. Additionally, new entrants with advanced technology and aggressive acquisition strategies may challenge DigiPlus' market position. To stay competitive, DigiPlus continuously enhances its gaming platform, introduces innovative game offerings, optimizes its user experience (UX) and user interface (UI), and executes targeted marketing strategies to attract and retain players. The Company also leverages data analytics to understand customer preferences and deliver personalized gaming experiences that differentiate it from competitors.

*Technology and Platform Stability Risks*

DigiPlus relies on a complex IT infrastructure to ensure smooth and uninterrupted gaming operations. Any system failures, software bugs, or downtime resulting from server malfunctions, cyber-attacks, or technical glitches could negatively impact customer experience and revenue. The Group's dependence on third-party gaming software developers, cloud service providers, and IT vendors also introduces potential risks related to service reliability, cost fluctuations, and contractual disputes. To minimize these risks, DigiPlus conducts regular platform maintenance, invests in high-performance cloud infrastructure, and maintains backup systems to ensure seamless operations.

*Financial and Credit Risks*

The Group's financial performance is influenced by several factors, including fluctuations in gaming activity, player spending behaviors, and overall economic conditions. External economic downturns, inflation, and regulatory changes in taxation could affect player engagement and profitability. The Company mitigates these risks by implementing strict credit risk management policies, maintaining diversified gaming revenue streams, and continuously monitoring financial performance indicators to ensure sustainable growth.

*Legal and Reputational Risks*

As a public-facing gaming operator, DigiPlus is exposed to reputational risks associated with customer disputes, regulatory investigations, negative media coverage, and gaming-related controversies. Legal claims related to game fairness, misleading promotions, or non-compliance with gaming regulations could impact brand perception and customer trust. To safeguard its reputation, the Company maintains transparent customer policies, proactive communication strategies, and responsible gaming initiatives to ensure ethical business practices. Additionally, DigiPlus invests in customer support infrastructure and dispute resolution mechanisms to address player concerns efficiently.

*Talent Acquisition and Retention Risks*

The Group's growth and innovation depend on highly skilled professionals in technology, cybersecurity, gaming operations, and regulatory compliance. The demand for experienced gaming professionals, software developers, and digital marketing experts is highly competitive, and failure to attract or retain key talent could hinder innovation and expansion efforts. DigiPlus mitigates this risk by offering competitive compensation packages, career development programs, and a dynamic work environment that fosters employee engagement and retention.

DigiPlus continuously strengthens its risk management framework through internal controls, compliance audits, cybersecurity enhancements, financial risk assessments, and strategic planning. The Company remains proactive in identifying emerging risks and implementing preventive measures, regulatory compliance initiatives, and technological advancements to safeguard its operations, customers, and stakeholders.

## Item 2. Properties

The major assets of the Group are: land, building, furniture & fixtures, leasehold improvements, slot machines, bingo equipment and paraphernalia. FCLRC and LRLDI own parcels of land within and outside the vicinity of Cagayan Special Economic Zone Free Port and ABLGI owns 23 hectares of land in Malay, Aklan.

The Group's head office is located at the Ecoprime Bldg., 32nd St. cor. 9th Ave., Bonifacio Global City, Taguig City. Each floor occupied by the Group has different lease terms, with the average lease term being 3-5 years. It also leases additional office spaces in other buildings.

## Item 3. Legal Proceedings

Except for the following, there are no other legal proceedings to which the Company or any of its subsidiaries is a party:

1. “Eco Leisure and Hospitality Holding Company, Inc. v. Leisure & Resorts World Corporation and PDRCI”, Civil Case No. R-PSG-22-02495-SP, Regional Trial Court, Pasig City, Branch 268

    On August 3, 2022, Eco Leisure filed a Petition to Vacate Arbitral Award of even date under Rule 11 of the Special Rules of Court on Alternate Dispute Resolution (A.M. No. 07-11-08-SC) which sought to vacate the Final Award issued by the Arbitral Tribunal of the Philippines Dispute Resolution Cent4er, Inc. in Ad Hoc Case No. 2021-124, which denied Eco Leisure’s claims against the Corporation.

    Based on the Order dated June 11, 2024, the Petition to Vacate Arbitral Award Case is submitted for resolution in view of the court’s receipt of the parties’ respective Memoranda. To date, the Company has not received any further order or resolution from the Regional Trial Court of Pasig City – Branch 268. As of April 4, 2025, the resolution is still pending.

2. “Leisure and Resorts World Corporation v. Atty. Katrina Nepomuceno”, CBD Case No. 23-6980 (Admin Case No. 13650), Commission on Bar Discipline, Pasig City

    This is a disbarment case against former DigiPlus in-house counsel Atty. Katrina Nepomuceno for testifying against the Company in a case.

    We received Respondent’s Verified Answer on January 4, 2024.

    On July 30, 2024, the Company filed its *Entry of Appearance with Manifestation and Motion* of even date to the Integrated Bar of the Philippines – Commission on Bar Discipline (“IBP-CBD”), entering the Company’s appearance and praying for a period of ten (10) calendar days from order to file the Preliminary Conference Brief. The disbarment case has not yet been resolved and the Company has not received any further order or resolution from the IBP-CBD. As of October 31, 2024, the Entry with Motion is still pending resolution.

3. “People of the Philippines v. Marc Nicole Riño”, Criminal Case No. 10-0886-2022, Regional Trial Court, Lipa City, Branch 12

    This case involves missing cash in the Prize Fund and Revolving Fund of the Extreme Bingo Club, SM Lipa Branch in Lipa Batangas in the amount of ₱170,000 and ₱6,150, respectively.

    The Comment/Opposition dated November 12, 2024 of the Accused was received by GSE Law, the Company’s counsel, on November 25, 2024.

    A hearing scheduled on December 3, 2024 was reset due to the unavailability of the Judge. On February 4, 2025, a scheduled hearing was also reset due to the unavailability of the Judge.

    The presentation of prosecution’s evidence was set on April 1, 2025 and July 22, 2025 both at 8:30 a.m.

4. “People of the Philippines v. Marc Nicole Rino”, Criminal Case No. 1278-2022, Regional Trial Court, Cavite City, Branch 88

    This case involves missing cash in the Prize Fund of the Extreme Bingo Club, SM Rosario Branch in Rosario Cavite in the amount of ₱200,000.

    The court scheduled the cross-examination of Ms. Jimeno on October 16, 2024 at 10:00AM. The Comment/Opposition dated November 12, 2024 of the accused was received by GSE Law, the Company’s counsel, on November 25, 2024.

    The hearing proceeded on February 10, 2025. GSE appeared on behalf of the Company but the Accused did not appear. GSE moved for the waiver of presentation of the accused due to failure to file a Judicial Affidavit (JA) and the non-appearance of the accused. The opposing counsel moved for resetting and waiving of presentation of JA. The court granted the opposing counsel's motion in the interest of substantial justice.

The accused's presentation of evidence was scheduled on March 17, 2025 at 01:30 p.m.

On 7 April 2025, accused failed to attend the hearing and the Company moved to waived the accused's testimony and forfeit the bail bond of the accused. A Warrant of Arrest was issued on 21 April 2025. Promulgation of Judgment is scheduled on 24 July 2025 at 11:00 a.m

5. "First Leisure & Game Co., Inc. vs. Riza June dela Bajan", NPS No. V-04-INV23L-0023, Office of the City Prosecutor, Masbate City

This case for estafa by misappropriation is filed by First Leisure & Game Co., Inc. against its employee June Dela Bajan. The case involves unliquidated advances for the payment of utilities and site rentals of BB Masbate amounting to ₱127,006 and ₱197,778, respectively.

The Complaint Affidavit was filed on December 27, 2023.

On July 31, 2024, the pre-trial of the case was terminated. The case was then referred to the Philippine Mediation Center for a Mandatory Mediation Conference. The Mediation Conference was subsequently terminated.

On February 27, 2025, the presentation of Ms. Melody Mananquil as witness for the prosecution was conducted. Her presentation was likewise terminated on even date.

Hearing for the presentation of Mr. Michael Linatoc is set on March 13, 2025 at 1:30 P.M.

On 13 March 2025, the presentation of Mr. Linatoc was then terminated. The Court then scheduled the continuation of the presentation of the prosecution's evidence on 22 May 2025 at 1:30PM. The Court cancelled the hearing scheduled on 22 May 2025, and reset the same to 19 June 2025 at 1:30 PM.

6. "People of the Philippines vs. Marvin S. Javier", Criminal Case No. 7557-M2022, Regional Trial Court, Malolos City, Bulacan, Branch 84

The accused, Marvin S. Javier, was a high roller player in BingoPlus Guiguinto Bulacan. He convinced the branch's staff to give him credit amounting to ₱4 million. Thereafter, he left the branch without paying the credits and he cannot be contacted anymore.

The accused is still at large. The Company is coordinating with the Private Prosecutor to locate the accused.

7. "Total Gamezone Extreme Incorporated vs. Mary France Pena", Criminal Case No. 24-665 for Qualified Theft, RTC Binangonan, Branch 68

This is a case for qualified theft filed by TGXI against its cashier Mary France Pena who stole cash in the amount of ₱464,000.

The Complaint-Affidavit was filed on December 27, 2023.

On August 29, 2024, the case was elevated to RTC Binangonan, Branch 68 for trial.

The accused is still at large. The Company is currently coordinating with the Private Prosecutor to locate the Accused.

The case is currently archived.

8. "ABLE vs. Commission of Internal Revenue", EB Case No. 2595 (CTA Case No. 9620), Court of Tax Appeals

This is an appeal by way of Petition for Review filed on June 22, 2017 with the Court of Tax Appeals ("CTA") against the Commissioner of Internal Revenue's ("CIR") Final Decision on Disputed Assessment ("FDDA") dated May 24, 2017 issued against ABLE on alleged deficiency value added tax ("VAT") and documentary stamp tax ("DST") assessments for taxable year ending December 31, 2013 in the aggregate amount of ₱517,895,721, inclusive of surcharge, interest, and compromise penalties.

On October 9, 2023, the CTA *En Banc* issued a Decision dated October 4, 2023 reversing the Decision and Resolution of the CTA in Division and held that ABLE's bingo games operation is covered by the phrase "operations of casino(s)". Hence, PAGCOR's tax exemption privileges under PD 1869 inure to the benefit of, or extend to, ABLE. Accordingly, the deficiency VAT and DST assessments in the amount of P611M were cancelled.

CIR filed a Motion for Reconsideration thereafter.

As of date, we are waiting for CTA *En Banc's* Resolution on the Motion for Reconsideration filed by the CIR.

9. "People of the Philippines v. John Lemuel Gardose", Criminal Case No. 8872, Regional Trial Court, Taguig City

This involves theft and falsification of documents of a former BingoPlus Foundation employee. The Complaint was filed on August 5, 2024.

The Office of the City Prosecutor (OCP) issued a Resolution charging the employee of qualified theft and falsification.

On November 15, 2024, the Information for Qualified Theft through Falsification of Documents against Gardose was filed and was raffled to the RTC – Taguig City, Branch 267.

The arraignment of Gardose was scheduled on December 12, 2024.

On January 14, 2025, an Omnibus Motion was filed. On account of the filing of said Omnibus Motion, RTC-Taguig City, Branch 267 ordered the suspension of the arraignment and submitted the Omnibus Motion for resolution.

The Company has yet to receive the Order/Resolution.

10. "People of the Philippines v. John Lemuel Gardose", Criminal Case No. 8873-TG, Regional Trial Court, Taguig City

This involves theft and falsification of documents of a former BingoPlus Foundation employee. The Complaint-Affidavit and supporting affidavits were filed on August 5, 2024.

The OCP issued its Resolution charging the employee of qualified theft and falsification.

On November 27, 2024, Gardose was arraigned.

On January 28, 2025, the parties appeared for the scheduled Pre-Trial. The parties were directed to appear for Preliminary Conference before the Branch Clerk of Court. Pre-Trial was scheduled on February 18, 2025.

On February 18, 2025, RTC-Taguig City, Branch 271 gave the parties additional dates for the marking of their respective evidence on February 26 and 28, 2025. It also reset the Pre-trial to March 4, 2025.

On 26 and 28 of February 2025, the parties appeared before the Branch Clerk of Court, Taguig City, Br. 271, for the Preliminary Conference. The parties marked their respective pieces of evidence and provided the names of their intended witnesses.

On March 4, 2025, Counsel of the accused failed to appear at the scheduled Pre-Trial. Pre-Trial of the case was set on April 8, 2025 at 9:00 a.m.

On 8 April 2025, Counsel of the Accused was once again absent during the Pre-trial. Pre-trial of the case was moved to 20 May 2025 at 9:00 a.m.

On 20 May 2025, accused and his counsel appeared during the Pre-trial. The Court scheduled the following hearing for the presentation of evidence:

Prosecution's evidence presentation:

1. August 27, 2025
2. September 09, 2025
3. September 10, 2025
4. September 17, 2025
5. September 24, 2025

Defense's evidence presentation:

1. January 28, 2026
2. February 03, 2026
3. February 04, 2026
4. February 10, 2026
5. March 03, 2026

11. "People of the Philippines v. Jeferson Castillo, Catherine Vargas, Liwliwa Viloria and Rafael Ramirez", Criminal Case No. 19-16040, Regional Trial Court, Cauayan City, Isabela

This case involves game rigging with conspiracy committed by BingoPlus Cauayan employees and the jackpot winner.

On August 28, 2024, the OCP of Cauayan Isabela issued the Information charging all the accused of Estafa under Article 318 (a) for *Other Deceits* carrying the penalty of *arresto menor*, i.e., a maximum of 1 month imprisonment, and fine equivalent to the amount of damage.

On November 5, 2024, the OCP filed a Motion to Withdraw Information, changing the charge from *Other Deceits* under Article 318 of the Revised Pena Code (RPC) to *Estafa* under Article 315 (b) of the Revised Penal Code.

In an Order dated November 22, 2024, the court issued a Warrant of Arrest against the Accused with bail bond of PhP48,000.00.

One of the accused failed to appear during the arraignment, prompting the court to issue a Warrant of Arrest against the said accused. As the accused remains at large, the court has ordered the case to be archived pending their arrest. The Court proceeded with the arraignment of three (3) of the four (4) accused. Following reading of the information, all three (3) accused entered a plea of not guilty. After conclusion of the pre-trial proceedings, the court set the hearing dates as follows:

For the prosecution: April 3, 10, 23 and 30, 2025 all at 8:30am.

For the accused: May 7, 15, 21 and 28, 2025 all at 8:30am.

The Company presented Ms. Daisy Garcia as its witness on 15 May 2025. The presentation of Ms. Garcia was terminated.

Presentation of the Company's next witness is, Mr. Rodgen was on 28 May 2025 at 8:30am

12. "People of the Philippines v. Rommel Manabat", Criminal Case No. 2024-158-79, Municipal Trial Court, Talavera, Nueva Ecija

The Company filed a case for Theft for overpayment of Six Hundred Thousand Pesos (Php600,000.00) to jackpot winner by Rommel Manabat. In the Information dated 2 December 2024 ("Information"), accused Manabat was charged with the crime of Theft under Art. 308 of the RPC for willfully, unlawfully, and feloniously taking the amount of Six Hundred Thousand Pesos (PhP600,000.00) belonging to Big Time Gaming Corporation.

On January 16, 2025, the Company filed its Entry of Appearance of even date ("Entry of Appearance"). The Municipal Trial Court, Talavera, Nueva Ecija ("MTC Talavera") issued a Warrant of Arrest dated December 4, 2024 ("Warrant of Arrest") against accused Manabat. The MTC Talavera has not yet set the case for Arraignment and Preliminary Conference.

13. "People of the Philippines v. Kerwin Tating", Crim. Case No. 24-133, Municipal Trial Court in Cities, Mabalacat City, Pampanga

Mr. Kerwin Tating illegally took PhP200,000.00 from the Prize Fund to the damage and prejudice of Total Gamezone Xtreme Incorporated.

The Complaint-Affidavit was filed on February 23, 2024. The case was referred to the Philippine Mediation Center for mediation proceedings. The mediation proceedings were subsequently terminated.

The hearing scheduled on February 20, 20025 was cancelled due to the unavailability of the presiding judge and the designated public prosecutor.

Hearing for the presentation of Ms. Sheena A. Tanael was set on May 29, 2025 at 8:30 A.M.

On 29 May 2025, a hearing was held. After the direct examination with Ms. Sheena A. Tapael, Atty. Pineda moved to reset the cross-examination due to the absence of Atty. Ponciano Cruz, counsel for Mr. Tating. Court granted the motion and set the next hearing for cross-examination on 17 July 2025 at 8:30am.

14. "Blue Chip Gaming and Leisure Corp. vs. Jalyn E. Cruz", NPS Docket No. XI-02-INV-24-5555, Office of the City Prosecutor, Davao City

This is a complaint for falsification filed against the Company's former marketing manager. The Complaint-Affidavit was filed on August 7, 2024.

On 2 December 2024, the Company received a copy of the Joint Resolution dated November 25, 2024 finding among others, *prima facie* evidence with reasonable certainty of conviction to indict Jalyn Cruz for the separate crimes of Falsification of Commercial Document.

Sometime in January 2025, the Information against Jalyn Cruz was raffled to Branch 4 of Davao City-MTCC.

On January 9, 2025, the Court issued Warrants of Arrest against Jalyn Cruz.

On February 3, 2025, the Court issued an Order noting the Entry of Appearance of CNVDLaw. Subsequently, or on February 11, 2025, the Court issued an Order granting the *Ex-Parte* Motion to Allow Private Prosecutor to prosecute the Falsification case until the end of trial even in the absence of the Public Prosecutor.

Jalyn Cruz is yet to be apprehended and/or post bail.

15. "In re: Application for Original Registration of Title of Lot 7370-A-Pt, CAD 704-D, Malay Cadastre, with an area of 134 square meters, located at Manoc-Manoc, Boracay Island, Malay, Aklan", LRC No. 37-M, Municipal Circuit Trial Court, Buruanga-Malay, Aklan

This is an application for title over real property of the Company in Boracay Island covering land designated as Lot No. 7370-A-Pt (102 Pt), located at Sitio Sugod, Manoc-Manoc, Boracay Island, Malay, Aklan.

The initial hearing is set on July 23, 2025 at 10:00 a.m. at the Malay Municipal Activity Center Conference Room, Poblacion, Malay, Aklan.

16. "In re: Application for Original Registration of Title of Lot 7371-A-Pt, CAD 704-D, Malay Cadastre, with an area of 3,125 square meters, located at Manoc-Manoc, Boracay Island, Malay, Aklan", LRC No. 542, Regional Trial Court, Kalibo, Aklan, Branch 2

This is an application for title over real property of the Company in Boracay Island covering land designated as Lot No. 7371-A-Pt (99 Pt), located at Sitio Sugod, Manoc-Manoc, Boracay Island, Malay, Aklan.

The initial hearing is set on April 7, 2025 at 8:30 a.m. An order was issued by the court dated 14 February 2025 directing the Company to comply with the LRA's requirements in its report dated 29 August 2024. The initial hearing set on 7 April 2025 was cancelled.

The Company filed a Motion to Calendar the Initial Hearing on 30 April 2025 to reiterate that the requirements embodied in the LRA's report dated 29 August 2024 was already complied. The Court granted the motion and ordered the continuation of the initial hearing on 10 June 2025 at 8:30AM

17. "In re: Application for Original Registration of Title of Lot 7378-A-Pt, CAD 704-D, Malay Cadastre, with an area of 5,694 square meters, located at Manoc-Manoc, Boracay Island, Malay, Aklan", LRC No. 543, Regional Trial Court, Kalibo, Aklan, Branch 4

This is an application for title over real property of the Company in Boracay Island covering land designated as Lot No. 7378-A-Pt (99 Pt), located at Sitio Sugod, Manoc-Manoc, Boracay Island, Malay, Aklan.

The initial hearing set on November 21, 2024 was cancelled and reset to August 7, 2025 at 8:30 a.m.

**Item 4. <u>Submission of Matters to a Vote of Security Holders</u>**

a) The annual meeting of the stockholders of the Registrant was held on July 26, 2024.

b) During the said annual meeting, the following persons were elected as directors of the Registrant:

1. Eusebio H. Tanco
2. Tsui "Andy" Kin Ming
3. Willy N. Ocier
4. Rafael Jasper S. Vicencio
5. Atty. Mardomeo N. Raymundo Jr.
6. Renato G. Nuñez
7. Atty. Jose Raulito E. Paras

With the following as the independent directors under Section 38 of the Securities Regulation Code (RA 8799) and Section 22 of the Revised Corporation Code:

8. Atty. Timoteo B. Aquino
9. Mr. Ramon Pancratio D. Dizon

c) During the annual meeting of the stockholders of the Registrant last July 26, 2024, the following matters were submitted to a vote of and duly approved by the stockholders of the registrant:

1. Approval of the minutes of the annual meeting held on July 28, 2023;
2. Approval of the Annual Report and Audited Financial Statements for the fiscal year 2023;
3. Ratification of actions taken by the Board of Directors and Officers since the last annual meeting held on July 28, 2023;
4. Nomination and Election of Directors;
5. Approval of the incorporation of a new wholly-owned subsidiary;
6. Approval of the amendments of Articles II and III of the By-Laws;
7. Appointment of External Auditor; and
8. Ratification of the Grant of Employee Stock Option Shares to Directors and Officers.

d) No other matter has been submitted to a vote of security holders otherwise than at such meetings of the security holders.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

**Item 5. <u>Market for Issuer's Common Equity and Related Stockholder Matters</u>**

a) Market Information

Principal market where the equity is traded - Philippine Stock Exchange

The table shows the high & low prices of the company's share within the last two fiscal years, including the volume of transactions for each quarter.

| QUARTER ENDING | IN PHILIPPINE PESO | | | | VOLUME (MAIN BOARD) | VOLUME TOTAL |
|---|---|---|---|---|---|---|
| | HIGH | HIGH_ ADJ* | LOW | LOW_ ADJ* | | |
| 1Q 2020 | 3.10 | 3.10 | 1.02 | 1.02 | 51,252,000 | 51,270,967 |
| 2Q 2020 | 1.82 | 1.82 | 1.30 | 1.30 | 28,333,000 | 28,355,509 |
| 3Q 2020 | 1.49 | 1.49 | 1.12 | 1.12 | 19,153,000 | 19,159,148 |
| 4Q 2020 | 2.16 | 2.16 | 1.24 | 1.24 | 54,286,000 | 54,317,231 |
| 1Q 2021 | 2.30 | 2.30 | 1.60 | 1.60 | 73,838,000 | 73,882,712 |
| 2Q 2021 | 1.98 | 1.98 | 1.44 | 1.44 | 190,577,000 | 290,588,482 |
| 3Q 2021 | 2.09 | 2.09 | 1.40 | 1.40 | 97,325,000 | 97,338,158 |
| 4Q 2021 | 1.76 | 1.76 | 1.40 | 1.40 | 37,323,000 | 37,343,956 |
| 1Q 2022 | 1.68 | 1.68 | 1.21 | 1.21 | 76,094,000 | 126,104,625 |
| 2Q 2022 | 1.52 | 1.52 | 1.21 | 1.21 | 155,902,000 | 155,910,925 |
| 3Q 2022 | 2.55 | 2.55 | 1.36 | 1.36 | 161,043,000 | 161,057,201 |
| 4Q 2022 | 3.13 | 3.13 | 1.98 | 1.98 | 298,775,000 | 298,798,023 |
| 1Q 2023 | 3.09 | 3.09 | 2.37 | 2.37 | 171,061,000 | 171,074,554 |
| 2Q 2023 | 3.80 | 3.80 | 2.42 | 2.42 | 153,318,000 | 155,075,000 |
| 3Q 2023 | 7.09 | 7.09 | 3.29 | 3.29 | 323,374,400 | 323,842,400 |
| 4Q 2023 | 8.13 | 8.13 | 5.50 | 5.50 | 159,955,400 | 162,123,800 |
| 1Q 2024 | 11.28 | 11.28 | 7.33 | 7.33 | 283,983,500 | 293,812,000 |
| 2Q 2024 | 14.98 | 14.84 | 9.50 | 9.50 | 571,086,442 | 581,086,442 |
| 3Q 2024 | 24.60 | 24.60 | 13.52 | 13.52 | 622,965,530 | 635,863,530 |
| 4Q 2024 | 27.40 | 27.40 | 19.46 | 19.46 | 278,270,534 | 278,587,634 |
| 1Q 2025 | 40.15 | 40.15 | 26.00 | 26.00 | 397,270,900 | 407,273,503 |
| April 2025 | 40.25 | 40.25 | 31.70 | 31.70 | 92,135,504 | 92,162,200 |
| May 2025 | 53.70 | 53.70 | 39.50 | 39.50 | 95,354,130 | 96,875,130 |

Closing Market Price as of May 31, 2025 is ₱52.85 per share.

The Company complied with the required minimum public ownership. As of December 31, 2024, total number of common shares owned by the public is 1,258,642,863 shares or equivalent to 28.56% of the total issued and outstanding common shares.

The Company's earnings (loss) per share are: ₱2.8544 and ₱1.0390 per share 2024 and 2023, respectively.

b) Holders

The stock transfer agent reported 1,802 holders of common shares of the registrant, as of 31 May 2025. The top 20 shareholders, the number of common shares held, and the percentage of common shares held by each are as follows:

| No | Name | No. Of Shares Held | % To Total |
|---|---|---|---|
| 1 | PCD NOMINEE CORPORATION (FILIPINO) | 3,213,314,825 | 72.15% |
| 2 | PCD NOMINEE CORPORATION (NON-FILIPINO) | 1,040,014,493 | 23.35% |

| No | Name | No. Of Shares Held | % To Total |
|---|---|---|---|
| 3 | GLOBALIST TECHNOLOGY COMPANY LIMITED | 100,000,000 | 2.25% |
| 4 | ALFREDO ABELARDO B. BENITEZ | 23,656,592 | 00.53% |
| 5 | DOMINIQUE L. BENITEZ | 22,434,640 | 00.50% |
| 6 | AB LEISURE EXPONENT, INC. | 21,567,000 | 00.48% |
| 7 | EUSEBIO H. TANCO | 10,432,480 | 00.23% |
| 8 | WILLY NG OCIER | 2,125,200 | 00.05% |
| 9 | LIBERTY FARMS, INC | 809,129 | 00.02% |
| 10 | YINGCAI TAN | 785,900 | 00.02% |
| 11 | PROVIDENT INSURANCE CORP. | 591,023 | 00.01% |
| 12 | BRISOT ECONOMIC DEVELOPMENT CORP. | 512,004 | 00.01% |
| 13 | OLIVER V. AMORIN | 311,220 | 00.01% |
| 14 | TAN KEG TIAM | 279,618 | 00.01% |
| 15 | ALLEN CHAM | 260,242 | 00.01% |
| 16 | DAVID GO SECURITIES CORP. | 251,870 | 00.01% |
| 17 | BENJAMIN L. PAY | 251,674 | 00.01% |
| 18 | JOSEPH D. ONG | 204,252 | 00.00% |
| 19 | CASIMIRO C. OCAMPO &/OR IRENEA PEDRO | 190,734 | 00.00% |
| 20 | REGINA ORDONEZ BENITEZ | 187,116 | 00.00% |

Below is the summary list of foreign ownership as of May 31, 2025, the nationality, the number of shareholders, the number of common shares held and the percentage of common shares held by each:

| Nationality | No. of Shareholders | No. of Shares Held | % To Total |
|---|---|---|---|
| American | 10 | 141,117 | 0.00% |
| British | 1 | 13,619 | 0.00% |
| Chinese | 74 | 2,804,259 | 0.06% |
| Filipino | 1710 | 3,310,539,384 | 74.34% |
| German | 1 | 1,064 | 0.00% |
| Spanish | 2 | 19,442 | 0.00% |
| Taiwanese | 1 | 52,900 | 0.0% |
| Others | 3 | 1,140,031,293 | 25.60% |
| **Total** | **1,802** | **4,453,603,078** | **100.00%** |

c) Dividends

The Company does not have any restrictions which limit the ability to pay dividends on common equity or that are likely to do so except in cases where the Company does not have enough retained earnings or is in a deficit position. Cash dividends declared to common shareholders were in the past years are as follows:

| Year | Dividend per Share |
|---|---|
| 2007 | ₱0.060 |
| 2008 | 0.060 |
| 2009 | 0.060 |
| 2010 | 0.080 |
| 2011 | 0.075 |
| 2012 | 0.075 |
| 2013 | 0.080 |
| 2014 | 0.080 |
| 2015 | 0.120 |
| 2016 | 0.080 |
| 2017 | 0.070 |
| 2024 | 0.180 |

No dividends declared in 2018 to 2023.

On March 19, 2024, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.18 per outstanding common share. The cash dividends were paid on April 18, 2024 to stockholders of record as of April 4, 2024.

On March 7, 2025, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.86 per outstanding common share. The cash dividends were payable on April 8, 2025 to stockholders of record as of March 24, 2025.

DigiPlus' dividend policy calls for the payment of regular cash dividends in an amount of 20% to 30% of the audited consolidated core net income for the year, subject to the approval of the Board of Directors, taking into consideration the interest of the shareholders, the Company's debt covenants, and the requirements dictated by working capital, expansion plans, capital expenditures and debt servicing. To be clear, the latest audited financial statements shall be the basis for determining the net income.

Payment of dividends shall always be subject to the availability of unrestricted retained earnings in accordance with the guidelines of the Securities and Exchange Commission. Further, the Company commits to pay dividends to its shareholders within 30 days from the date of its declaration. The Company has complied with its dividend policy in each of the past two fiscal years, having declared cash dividends of 20% to 30% of prior year audited consolidated core net income in 2024 and 2025.

DigiPlus' subsidiaries declared dividends for CY 2024 as follows:

| Subsidiary | Amount |
|---|---:|
| Total Gamezone Xtreme Incorporated | 13,000,000,000 |
| Gamemaster Integrated Inc. | 137,000,000 |
| **Total** | **Php13,137,000,000** |

DigiPlus' subsidiaries do not have a specific dividend policy. Dividends are declared at such times as the Board may determine, in accordance with law and applicable rules and regulations.

d) Others

The issuance of ₱1.65 billion worth of preferred shares was approved by DigiPlus' BOD and stockholders on January 22, 2013 and March 22, 2013, respectively. The listing application was filed with the exchange on September 20, 2013 and approved on November 27, 2013. The exchange approved the listing of the preferred shares and warrants on December 20, 2013. The shareholders of the private placement transaction are as follows:

| Name | Shares | Amount |
|---|---:|---:|
| PCD Nominee Corporation (Filipino) | 1,596,860,000 | ₱1,596,860,000 |
| GSIS Provident Fund | 50,000,000 | 50,000,000 |
| PCD Nominee Corporation (Non-Filipino) | 1,440,000 | 1,440,000 |
| Mary Lou Santos Cera-Garcia | 1,000,000 | 1,000,000 |
| Mary Lou Cera Garcia | 700,000 | 700,000 |
| TOTAL | **1,650,000,000** | **₱1,650,000,000** |

The ₱1.65 billion perpetual preferred shares were issued through private placement or issuance to not more than nineteen (19) non-qualified buyers under the Section 10.1(k) of the Securities Regulation Code. The ₱1.65 billion perpetual preferred shares have a par value of ₱1.00 per share and an issue price of ₱1.00 per share. The preferred shares are cumulative, non-voting and non-participating. On the fifth anniversary of the issue date of the ₱1.65 billion perpetual preferred shares or on any dividend payment date thereafter, DigiPlus has the option, but not the obligation, to redeem the perpetual preferred shares in whole or in part at a redemption price equal to the issue price of the perpetual preferred shares plus cumulated and unpaid cash dividend, if any, for all dividend periods up to the date of actual redemption by DigiPlus. A nil-paid, detachable warrant was issued to the investor/s for every twenty (20) preferred shares. Each warrant shall entitle the investor/s to purchase one (1) common share. The exercise price of the warrant shall be ₱15.00 or DigiPlus' weighted average trading price for three (3) months prior to the exercise date of the warrant less ten percent (10%) discount. The warrants are exercisable starting on the 5th anniversary of the perpetual preferred shares until the 8th anniversary.

On September 25, 2013, DigiPlus filed the listing of 82,500,000 warrants and the underlying common shares with the PSE.

On January 31, 2020, all ₱1,650,000,000 preferred shares were redeemed at a redemption price of ₱1.00 and recorded as treasury shares in the books of the Company.

On September 15, 2022, the BOD of the Parent Company approved the increase of the Company's authorized capital stock from P5 billion to P7 billion. On November 24, 2022, the amendment was approved by the stockholders. On September 12, 2023, the SEC approved the increase in authorized capital stock and the issuance of 691.2 million shares at P2.68 per share to its subscribers. Transaction costs related to share issuances amounting to P6,912 are recognized as deduction to additional paid-in capital.

*Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction*

*2022 Private Placement*

In a Confirmation of Exempt Transaction signed and dated July 18, 2022, the Company offered for subscription a total of 1,272,352,512 common shares at an issue price of PhP1.65 per share to the following subscribers:

| Subscriber | No. of Shares Subscribed | Subscription Price |
|---|---|---|
| Catchy Solutions Limited | 225,000,000 | PhP 371,250,000.00 |
| Sagathy Holdings, Inc | 340,000,000 | 561,000,000.00 |
| Colonial Group Holdings Corporation | 100,000,000 | 165,000,000.00 |
| Euphonious Holdings, Inc. | 230,000,000 | 379,500,000.00 |
| Leisure Advantage Inc. | 187,352,512 | 309,131,645.00 |
| Globalist Technology Company Limited | 90,000,000 | 148,500,000.00 |
| XII Capital Inc. | 100,000,000 | 165,000,000.00 |
| **TOTAL** | **1,272,352,512** | **PhP 2,099,381,645** |

The basis for the application for exemption were the following:

1. Section 10.1(e) – Sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly with the sale of such capital stock. Six of the seven private placement subscribers were existing shareholders of the Company, namely: (1) Catchy Solution Limited; (2) Colonial Group Holdings Corporation; (3) Euphonious Holdings, Inc.; (4) Leisure Advantage, Inc.; (5) Globalist Technology Company Limited; and (6) XII Capital, Inc.

2. Section 10.1(k) – Sale of Securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve (12) month period.

The confirmation of exemption was issued by the Securities and Exchange Commission on October 16, 2023.

*2023 Private Placement*

In a Confirmation of Exempt Transaction signed and dated November 28, 2023, the Company offered for subscription a total of 691,200,000 common shares at an issue price of PhP2.68 per share to the following subscribers:

| Subscriber | No. of Shares Subscribed | Subscription Price |
|---|---|---|
| Clearspring Holdings Corporation | 330,600,000 | Php 886,008,000.00 |
| Belvedere Skies Asset Holding OPC | 330,600,000 | 886,008,000.00 |
| Tucket Holdings, Inc. | 30,000,000 | 80,400,000.00 |
| **TOTAL** | **691,200,000** | **Php 1,852,416,000.00** |

The basis for the application for exemption was section 10.1(k) – Sale of Securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve (12) month period.

The confirmation of exemption was issued by the Securities and Exchange Commission on June 18, 2024.

## Item 6. Management's Discussion and Analysis of Financial Condition and Results of Operations

*Overview*

DigiPlus is functioning as a holding company with minimal operations. The Company is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **RETAIL** (1) AB Leisure Exponent, Inc. (ABLE - 100% owned), (2) Total Gamezone Xtreme Incorporated (TGXI - 100% owned), (2) Gamemaster Integrated Inc. (Gamemaster - 100% owned); **CASINO** (4) Blue Chip Gaming and Leisure Corporation (BCGLC - 100% owned), (5) Gold Coast Leisure World Corp. (GCLWC - 100% owned); **NETWORK AND LICENSES** (6) First Cagayan Leisure and Resort Corporation (FCLRC - 87.27% owned), (7) LR Data Center and Solutions, Inc. (LRDCSI - 80% owned), (8) First Cagayan Converge Data Center Inc. (FCCDCI – 68.36%); and **PROPERTY AND OTHER INVESTMENTS** (9) AB Leisure Global, Inc. (ABLGI - 100% owned), (10) LR Land Developers, Inc. (LRLDI - 100% owned), (11) G-L Real Estate JV Corporation, (GREJC – 100% owned), (12) DigiPlus Brazil Holding LTDA. (100% owned); and (13) DigiPlus Brazil Interactive LTDA (100% owned).

Retail

The Retail Gaming segment encompasses a diverse portfolio of gaming products, including bingo, e-casino, specialty games, sports betting, and poker, offered across both online and land-based platforms.

Casino

BCGLC
BCGLC operates Slot Arcades at several PAGCOR VIP Clubs at: (1) the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga; (2) Pan Pacific, Malate Manila with Pacific Palm Corporation; (3) Paseo Premier Hotel, Sta. Rosa Laguna with Pacific Palm Corporation; and (4) Apo View Hotel, Davao City with Pacific Palm Corporation. BCGLC operates Slot Arcades at the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga under a license issued by PAGCOR.

GCLWC
GCLWC operates Slot Arcades at VIP Club at Venezia at Subic Bay Freeport Zone under a license issued by PAGCOR.

Network and Licenses

FCLRC
The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered gaming enterprise in CSEZFP. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators in the CSEZFP.

FCCDCI
FCLRC, LRDCSI and IP Ventures, Inc. (IPVI) formed a joint venture corporation with the name First Cagayan Converge Data Center Inc. to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol, IP-wide area network services and other value-added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee.

Property

ABLGI

ABLGI acquired a building in Manila as investment property and collects rental income.

GREJC
GREJC acquired 23 hectares of land property in Boracay for future project. In April 2023, ABLE entered into a ₱3.0 billion term-loan agreement with Asia United Bank which is secured by the land owned by GREJC. The loan was fully settled as of December 31, 2024.

LRLDI
LRLDI entered into various lease agreements as lessor with lease terms ranging from monthly to one (1) year.

LRLDI is also committed in supporting the development of Cagayan Special Economic Zone and Free Port (CSEZFP). In executing an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC), LRLDI has established its support by investing funds into the Lal-Lo Airport Project, Cagayan Economic Zone and Freeport (CEZFP) International Airport Project, and other facilities within the CSEZFP. These projects aim to improve and further advance CSEZFP into a self-sustaining industrial zone.

LRLDI has significant land properties in Cagayan which are carried at fair value.

Comparable Discussion on Material Changes in Results of Operations and Financial Condition

**2024 as Compared to 2023**

**CONSOLIDATED REVENUE AND OPERATING INCOME**
Breakdown of consolidated gross revenues, other revenues and its related costs and expenses are as follows:

| *Amounts in Thousands* | **2024** | 2023 | Inc/(Dec) | % Change |
|---|---|---|---|---|
| **GROSS REVENUE** | | | | |
| Retail games | **₱74,106,611** | ₱26,368,576 | ₱47,738,035 | 181% |
| Casino | **552,947** | 475,937 | 77,010 | 16% |
| Service and hosting fees | **407,044** | 340,592 | 66,452 | 20% |
| Commission income | **149,707** | 62,235 | 87,472 | 141% |
| Rent income | **6,839** | 3,711 | 3,128 | 84% |
| **Total Gross Revenue** | **75,223,148** | 27,251,051 | 47,972,097 | 176% |
| | | | | |
| **COSTS AND EXPENSES** | | | | |
| Franchise fees and taxes | **33,685,937** | 13,103,632 | 20,582,305 | 157% |
| Advertising and promotion | **13,273,819** | 4,103,449 | 9,170,370 | 223% |
| Outside services | **9,074,623** | 3,113,346 | 5,961,277 | 191% |
| Salaries and other benefits | **2,776,366** | 996,800 | 1,779,566 | 179% |
| Subscription | **1,097,057** | 110,005 | 987,052 | 897% |
| Depreciation and amortization | **1,069,601** | 493,432 | 576,169 | 117% |
| Rent | **347,998** | 350,926 | (2,928) | -1% |
| Communications and utilities | **368,467** | 322,835 | 45,632 | 14% |
| Taxes and licenses | **135,920** | 165,928 | (30,008) | -18% |
| Bandwidth and co-location costs | **73,762** | 39,510 | 34,252 | 87% |
| Repairs and maintenance | **113,730** | 39,443 | 74,287 | 188% |
| Others | **337,022** | 127,600 | 209,422 | 164% |
| **Total Costs and Expenses** | **62,354,302** | 22,966,906 | 39,387,396 | 171% |
| **Operating Income** | **₱12,868,846** | ₱4,284,145 | ₱8,584,701 | 200% |

**Consolidated Revenue**
In 2024, consolidated gross revenue increased by 176% or ₱47,972.1 million from ₱27,251.1 million of 2023 to ₱75,223.1 million of 2024. The increase was mainly due to increase in revenue from electronic games from retail segment, revenue from casino and service and hosting fees and commission income.

Retail

ABLE and its subsidiaries, and TGXI recognized revenue in 2024 amounting to ₱74,106.6 million, an increase of 181% or ₱47,738.0 million. This was mainly due to increase in retail business operations and new licenses obtained from PAGCOR.

As of December 31, 2024, there were 135 sites in operations with full capacity.

In July 2021, TGXI received a new PAGCOR license to start a new business product “Electronic Gaming System (EGS)” to replace Electronic games. Previously TGXI earned 29% gross gaming revenue (GGR) from IEST a gaming platform provider and now TGXI generated GGR 65.0% after PAGCOR share.

In January 2022, ABLE received a new PAGCOR license to start a new business product “BingoPlus”, a traditional bingo on a technology platform. In February 2023, the Group launched a new brand for its sports betting operations, ArenaPlus. In 2024, the Group launched SpinPlus, a dedicated slot games platform designed to provide players with seamless and instant access to their favorite titles, and GameZone, which offers a range of card games for both casual and more experienced players.

Casino

BCGLC and GCLWC revenue increased by 16% or ₱77.0 million from ₱475.9 million in 2023 to ₱552.9 million in 2024. The increase was mainly due to increase in operating capacity.

Network and Licenses

There was an increase in network and licenses revenue from ₱340.6 million in 2023 as compared to ₱407.0 million in 2024. The increase amounting to ₱66.5 million or 20% was driven by capacity upgrades of existing activations.

Property

There was an increase in rental revenue from ₱3.7 million in 2023 to ₱6.8 million in 2024. The increase amounted to ₱3.1 million or 84%. The increase was attributable to renewal of contracts and rental escalation in 2024.

**Consolidated Costs and Expenses**

Total costs and expenses increased by 171% or ₱39,387.4 million in 2024 as compared to 2023. This is mainly due to increase in franchise fees and taxes brought about by new games and licenses, advertising and promotions, outside services, salaries and subscriptions.

## CONSOLIDATED EBITDA AND NET INCOME

Details of EBITDA and net income are as follows:

| *Amounts in thousands* | **2024** | 2023 | Inc/(Dec) | % Change |
|---|---|---|---|---|
| Gross revenues | **₱75,223,148** | ₱27,251,051 | ₱47,972,097 | 176% |
| Costs and expenses (excluding depreciation and amortization) | **(61,284,701)** | (22,473,474) | 38,811,227 | 173% |
| **EBITDA*** | **13,938,447** | 4,777,577 | 9,160,870 | 192% |
| Depreciation and amortization | **(1,069,601)** | (493,432) | 576,169 | 117% |
| Finance expense | **(177,164)** | (197,263) | (20,099) | -10% |
| Unrealized fair value gain on investment property | **142,141** | 131,817 | 10,324 | 8% |
| Income tax benefit (expense) | **(46,509)** | (84,385) | (37,876) | -45% |
| Other expenses - net | **(203,208)** | (39,461) | 163,747 | 415% |
| **Net Income after tax** | **12,584,106** | 4,094,853 | 8,489,253 | 207% |
| Minority interest | **6,222** | 17,119 | (10,897) | -64% |
| Net income attributable to Parent Company | **₱12,577,884** | ₱4,077,734 | ₱8,500,150 | 208% |


| *Amounts in thousands* | **2024** | 2023 | Inc/(Dec) | % Change |
|---|---|---|---|---|
| Gross revenues | **₱75,223,148** | ₱27,251,051 | ₱47,972,097 | 176% |
| Costs and expenses (excluding | **(61,284,701)** | (22,473,474) | 38,811,227 | 173% |

| | | | | |
|---|---|---|---|---|
| depreciation and amortization) | | | | |
| **EBITDA*** | **13,938,447** | 4,777,577 | 9,160,870 | 192% |
| Depreciation and amortization | **(1,069,601)** | (493,432) | 576,169 | 117% |
| Finance expense | **(177,164)** | (197,263) | (20,099) | -10% |
| Unrealized fair value gain on investment property | **142,141** | 131,817 | 10,324 | 8% |
| Income tax benefit (expense) | **(46,509)** | (84,385) | (37,876) | -45% |
| Other expenses - net | **(203,208)** | (39,461) | 163,747 | 415% |
| **Net Income after tax** | **12,584,106** | 4,094,853 | 8,489,253 | 207% |
| Minority interest | **6,222** | 17,119 | (10,897) | -64% |
| Net income attributable to Parent Company | **₱12,577,884** | ₱4,077,734 | ₱8,500,150 | 208% |

*EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expense such as impairment loss. The Group evaluates performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRSs and may not be comparable to similarly titled measures presented by other entities.

The Group's consolidated net income improved from ₱4,094.9 million in 2023 to ₱12,584.1 million in 2024 or 207% increase. EBITDA also improved by 192% in 2024 or equivalent to ₱9,160.9 million as compared to 2023. This was mainly due to significant increase in revenue from retail segment, net of costs and expenses related to franchise and taxes, advertising and promotions, outside services, salaries and subscriptions.

Financial Position

On a consolidated basis, the financial position of DigiPlus and its subsidiaries continue to be on solid ground.

As at December 31, 2024, our total assets stood at ₱44.1 billion, an increase of ₱14.4 billion or 49% as compared to total assets as of December 31, 2023 amounting to ₱29.7 billion. The increase was attributable to increase in cash, receivables, investment properties and property and equipment. This was brought about by new gaming licenses and increase in operational activities of retail segment of the Group.

Cash and cash equivalents increased by ₱9,713.2 million or 228% mainly due to the positive results of operations, net of payments of loans, dividends and other capital expenditures.

Receivables and lease receivables increased by ₱2,020.2 million or 65% mainly due to increase in our receivables from payment channel gateways.

Property and equipment and Intangible assets (excluding Goodwill) increased by 83% or ₱2,943.1 million, mainly due to capitalized cost for software and game development, right-of-use assets, renovations of land-based sites and offices and acquisition of office and IT equipment, net of straight-line depreciation and amortization during the year. In addition to this, investment properties also increased by ₱142.1 million mainly due to revaluation increment in 2024. Investment in associates and joint venture decreased mainly due to share in net loss of HEPI.

Goodwill amounting to ₱1.3 billion were from the business acquisition of the Group which includes share and land-based site acquisitions.

Other noncurrent assets decreased by ₱383.1 million or 19%, mainly due to capitalization of deferred costs related to software and game development, net of increase in cash performance bonds due to new operating sites. Other noncurrent assets also include advances to suppliers, rental deposits and other assets.

The total liabilities as of December 31, 2024 amounted to ₱12,865.1 million with an increase of ₱2,075.9 million or 19% from the total liabilities as of December 31, 2023 amounting to ₱10,789.3 million. The increase was mainly because of growth in business volume during the year resulting in higher costs and expenses.

Cash Flows

Cash balance as of December 31, 2024 and 2023 amounted to ₱14.0 billion and ₱4.3 billion, respectively. The increase was mainly due to net cash provided by operating activities amounting to ₱15.1 billion. This was reduced by the cash used in investing and financing activities amounting to ₱2.5 billion and ₱2.9 billion, respectively.

The Company and its subsidiaries:

a) Have no known trends or any demands, commitments, events or uncertainties that will result in or that are likely to result in the liquidity increasing or decreasing in any material way;

b) Have no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

c) Have no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period;

d) Have not breached any loans, leases or other indebtedness or financing agreement; and

e) Have no material commitment for capital expenditure, aside from those already discussed.

**2023 as Compared to 2022**

**CONSOLIDATED REVENUE AND OPERATING INCOME**

Breakdown of consolidated gross revenues, other revenues and its related costs and expenses are as follows:

| *Amounts in Thousands* | **2023** | 2022 | Inc/(Dec) | % Change |
|---|---|---|---|---|
| **GROSS REVENUE** | | | | |
| Retail games | **₱26,430,811** | ₱8,163,680 | ₱18,267,131 | 224% |
| Casino | **475,937** | 385,225 | 90,712 | 24% |
| Service and hosting fees | **340,592** | 351,793 | (11,201) | -3% |
| Rent income | **3,711** | 4,892 | (1,181) | -24% |
| **Total Gross Revenue** | **27,251,051** | 8,905,590 | 18,345,461 | 206% |
| | | | | |
| **COSTS AND EXPENSES** | | | | |
| Franchise fees and taxes | **13,103,632** | 4,707,648 | 8,395,984 | 178% |
| Advertising and promotion | **4,103,449** | 951,863 | 3,151,586 | 331% |
| Outside services | **3,113,346** | 786,596 | 2,326,750 | 296% |
| Salaries and other benefits | **996,800** | 508,281 | 488,519 | 96% |
| Depreciation and amortization | **493,432** | 375,827 | 117,605 | 31% |
| Rent | **350,926** | 287,203 | 63,723 | 22% |
| Communications and utilities | **322,835** | 273,675 | 49,160 | 18% |
| Taxes and licenses | **165,928** | 66,501 | 99,427 | 150% |
| Bandwidth and co-location costs | **39,510** | 94,556 | (55,046) | -58% |
| Repairs and maintenance | **39,443** | 70,540 | (31,097) | -44% |
| Others | **237,605** | 151,601 | 86,004 | 57% |
| **Total Costs and Expenses** | **22,966,906** | 8,274,291 | 14,692,615 | 178% |
| **Operating Income** | **₱4,284,145** | ₱631,299 | ₱3,652,846 | 579% |

**Consolidated Revenue**

In 2023, consolidated gross revenue increased by 206% or ₱18,345.5 million from ₱8,905.6 million of 2022 to ₱27,251.1 million of 2023. The increase was mainly due to increase in revenue from bingo and electronic games from retail segment and revenue from casino segment of the Group, net of the decrease in revenues from network and licenses segment.

Retail
ABLE and its subsidiaries, and TGXI recognized revenue in 2023 amounting to ₱26,430.8 million, an increase of 224% or ₱18,267.1 million. This was mainly due to increase in retail business operations and new licenses obtained from PAGCOR.

As of December 31, 2023, there were 139 sites in operations with full capacity. Retail group already prepared and submitted strategic return-to-work guidelines. Sites were disinfected, physical distancing markers were set-up, safety materials and reminder posters were procured and installed in the branches, and employees were trained on the new SOPs aimed to reduce COVID-19 transmission.

In July 2021, TGXI received a new PAGCOR license to start a new business product "Electronic Gaming System (EGS)" to replace Electronic games. Previously TGXI earned 29% gross gaming revenue (GGR) from IEST a gaming platform provider and now TGXI generated GGR 52.50% after PAGCOR share.

In January 2022, ABLE received a new PAGCOR license to start a new business product "BingoPlus", a traditional bingo on a technology platform. In February 2023, the Group launched a new brand for its sports betting operations, ArenaPlus.

Casino
BCGLC and GCLWC revenue increased by 24% or ₱90.7 million from ₱385.2 million in 2022 to
₱475.9 million in 2023. The increase was mainly due to increase in operating capacity and sites' operating hours.

Network and Licenses
There was a decrease in network and licenses revenue from ₱351.8 million to ₱340.6 million in 2023 as compared to 2022. The decrease amounted to ₱11.2 million or 3%. The decline was attributable to: 1) non-renewal of CEZA Licensees and lower revenues reported by existing licensees; and 2) terminations of locators or discontinuance of their operations.

Property
There was a decrease in rental revenue from ₱4.9 million to ₱3.7 million in 2023 as compared to 2022. The decrease amounted to ₱1.2 million or 24%. The decrease was due to non-renewal of contracts in 2023.

**Consolidated Costs and Expenses**
Total costs and expenses increased by 178% or ₱14,692.6 million in 2023 as compared to 2022. This is mainly due to increase in franchise fees and taxes brought about by new games and licenses, advertising promotions, outside services, salaries and wages and utilities.

**CONSOLIDATED EBITDA AND NET INCOME**

Details of EBITDA and net income are as follows:

| *Amounts in thousands* | **2023** | 2022 | Inc/(Dec) | % Change |
|---|---|---|---|---|
| Gross revenues | **₱27,251,051** | ₱8,905,590 | ₱18,345,461 | 206% |
| Costs and expenses (excluding depreciation and amortization) | **(22,473,474)** | (7,898,464) | (14,575,010) | 185% |
| **EBITDA*** | **4,777,577** | 1,007,126 | 3,770,451 | 374% |
| Depreciation and amortization | **(493,432)** | (375,827) | (117,605) | 31% |
| Finance expense | **(197,263)** | (376,705) | 179,442 | -48% |
| Unrealized fair value gain on investment property | **131,817** | 297,772 | (165,995) | -56% |
| Income tax (expense) benefit | **(84,385)** | 161,207 | (245,592) | -152% |
| Other expenses - net | **(39,461)** | (26,716) | (12,745) | 48% |
| **Net Income after Tax** | **4,094,853** | 686,857 | 3,407,996 | 496% |
| Minority interest | **17,119** | 86,152 | (69,034) | -80% |
| Net income attributable to Parent Company | **₱4,077,734** | ₱600,705 | ₱3,477,029 | 579% |

*EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expense such as impairment loss. The Group evaluates performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRSs and may not be comparable to similarly titled measures presented by other entities.

The Group's consolidated net income improved from ₱686.9 million net income in 2022 to ₱4,094.9 million net income in 2023 or 496% increase. EBITDA also improved by 374% in 2023 or equivalent to ₱3,770.5 million as compared to 2022. This was mainly due to significant increase in revenue from retail and casino segments, net of costs and expenses related to franchise and taxes, advertising, manpower and retail business for re-opening of sites.

Financial Position

On a consolidated basis, the financial position of DigiPlus and its subsidiaries continue to be on solid ground.

As at December 31, 2023, our total assets stood at ₱29.7 billion, an increase of ₱8.8 billion or 42% as compared to total assets as of December 31, 2022 amounting to ₱20.9 billion. The increase was attributable to increase in cash, receivables, investment properties, property and equipment, and other assets. This was brought about by new gaming licenses and increase in operational activities of retail segment of the Group and cash received for the issuance of shares.

Cash and cash equivalents increased by ₱2,907.8 million or 214% mainly due to the positive results of operations primarily on launching the BingoPlus and ArenaPlus and the cash received from issuance of treasury shares, net of payments of loans.

Receivables and lease receivables increased by ₱1.4 billion or 111% mainly due to increase in our receivables from payment gateways and due to lease amendments to increase rental rate of certain sub-lease agreements of the Group. Prepaid and other current assets also increased by 231% mainly due to increase in prepaid expenses such as advertising, rental, marketing and others, and advances to existing suppliers.

Property and equipment increased by 227% or ₱2,448.1 million, mainly due to office and site renovations, and purchase of gaming machines and studio equipment during the year. In addition to this, investment properties also increased by ₱132.3 million mainly due to revaluation increment in 2023. Investment in associates and joint venture decreased mainly due to share in net loss of HEPI.

Financial assets at fair value through other comprehensive income (FVOCI) pertains to Group's investment in DFNN's shares. The decrease of ₱10.9 million or 14% is mainly due to revaluation losses incurred in 2023.

Goodwill amounting to ₱1.3 billion were from the business acquisition of the Group which includes share and land-based site acquisitions.

Other noncurrent assets increased by ₱952.9 million or 88%, mainly due to deferred project costs for the development of software systems and increase in cash performance bonds due to new operating sites. Other noncurrent assets also include advances to suppliers, rental deposits and other assets.

The total liabilities as of December 31, 2023 amounted to ₱10.8 billion with an increase of ₱2.8 billion or 36% from the total liabilities as of December 31, 2022 amounting to ₱7.9 billion. The increase was mainly because of growth in business volume during the year resulting in higher costs and expenses.

Trade payables and other current liabilities significantly increase from ₱2.5 billion to ₱6.2 billion or 151% is mainly due to higher outstanding franchise taxes and licenses, advertising expenses, contract liabilities and other accruals resulting from increased business volume.

Short-term loans decreased by ₱115.7 million mainly due to settlement of Group's outstanding facility with a local company.

Long-term loans decreased by ₱1.3 billion or 40%mainly due to settlement of the Group's long-term loans with a local bank amounting to ₱2.5 billion. This is net of availment of term loan facility with another local bank amounting to ₱1.2 billion in 2023.

Lease liabilities increased from ₱630.5 million as of December 31, 2022 to ₱1,074.4 million as of December 31, 2023 or 70%. This is mainly attributable with the Group's new lease contracts for its head office and Cagayan business.

Retirement liabilities increased by 32% or ₱16.8 million mainly due to additional accrual in 2023 resulting from increase in manpower head count. Deferred tax liabilities also increased by ₱68.5 million mainly due to the recognition of deferred tax on revaluation gains from investment properties.

Capital stock and additional paid-in capital increased due to issuance of 1.3 million shares in 2023 to various subscribers at ₱1.65 per share. Transaction costs related to share issuances amounting to P12,723 are recognized as deduction to additional paid-in capital.

Other reserve in equity and non-controlling interest increased and decreased, respectively, mainly due to acquisition of minority interest in 2023.

Retained earnings increased by ₱4.1 billion primarily driven by the Group's net income from operational results.

Cash Flows

Cash balance as of December 31, 2023 and 2022 amounted to ₱4.3 billion and ₱1.4 billion, respectively. The increase was mainly due to net cash provided by operating activities amounting to ₱6.2 billion. This was reduced by the cash used in investing and financing activities amounting to ₱3.1 billion and ₱0.2 billion, respectively.

The Company and its subsidiaries:

a) Have no known trends or any demands, commitments, events or uncertainties that will result in or that are likely to result in the liquidity increasing or decreasing in any material way;

b) Have no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

c) Have no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period;

d) Have not breached any loans, leases or other indebtedness or financing agreement; and

e) Have no material commitment for capital expenditure, aside from those already discussed.

**Discussion and Analysis of Material Events and Uncertainties Known to Management**

The Management of DigiPlus and subsidiary is not aware of any material events/and uncertainties that would address the past and would have impact on future operations of the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact on DigiPlus' liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period
4. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations;
6. Any significant elements of income or loss that did not arise from DigiPlus continuing operations;

7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

**Item 7. <u>Financial Statements</u>**

The Annual Audited Consolidated Financial Statements for 2024 and the Interim Consolidated Financial Statements for the first quarter of 2025 are presented separately to form part of this information package.

**Item 8. <u>Information on Independent Accountant and other Related Matters</u>**

*External Audit Fees and Services*

The aggregate fees billed and paid by registrant in favor of its External Auditors for Audit and Audit Related Fees amounted to Eight Million Three Hundred Thousand Pesos (₱8,300,000) and Seven Million Pesos (₱7,000,000) in 2024 and 2023, respectively. These fees comprise the audit and audit related services rendered in favor of Registrant and its subsidiaries.

Except for the fees indicated above, there were no tax fees or other fees billed or paid to registrant's External Auditors for the last two (2) fiscal years.

The audit plan of the external auditors has been submitted to the Company's Audit Committee for review. The Board of Directors, after consultation with the Audit Committee, recommends to the stockholders the engagement of the external auditors of the Company. As regards to services that may be rendered by the external auditor other than the audit of financial statements, the scope of and payment for the same are subject to review, evaluation and approval by the BOD.

*Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

There were no changes or disagreements with the Company's external auditors, Isla Lipana & Co., on accounting and financial statement disclosures.

*Corporate Governance*

(a) The evaluation system established by the Company measures and determines the level of compliance of the Board of Directors and top-level management with its New Manual on Corporate Governance. All directors, officers and employees complied with all the leading practices and principles on good corporate governance embodied in this New Manual.

(b) There are measures being undertaken by the Company to fully comply with the adopted leading practices on good corporate governance as embodied in its New Manual on Corporate Governance, and as reflected in its Integrated Annual Corporate Governance Report, which was submitted to SEC on 27 May 2025.

(c) There is no significant undisclosed deviation from the Company's New Manual on Corporate Governance.

(d) The current New Manual on Corporate Governance is addressing critical areas affecting the Company's operations. In as much as the Company's business presently primarily pertains to the operations of its wholly and majority-owned subsidiaries, the Company deems that the management of these subsidiaries is the more critical area of concern for the Company. In view of the same, in addition to the Anti-Fraud Procedures adopted by all subsidiaries, the Company's Audit Committee conducts regular meetings with the Internal Audit to discuss any significant findings and deviations from the established procedures. No such significant finding and deviations have been reported so far.

(e) The Corporation implemented a Board Performance Assessment with the following Criteria and Process of evaluation:

The assessment criteria includes the structure, efficiency, and effectiveness of the Board, participation and engagement of each member of the Board, contribution of each member director to their respective Committees, and the performance of management. The criteria also reflects the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company's By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies.

The following rating system shall be used by the directors in accomplishing the self-rating form:

| | |
|---|---|
| SA | – Strongly Agree |
| A | – Agree |
| N | – Neither Agree nor Disagree |
| D | – Disagree |
| SD | – Strongly Disagree |

The form also allows the director to provide comments and suggestions to further enrich the assessment process. For further clarification on this policy and the performance assessment exercise, the Board may address their queries to the Compliance Officer.

For CY 2024, the Company engaged Institute of Corporate Directors as an independent external facilitator to assess the Board Performance Assessment.

## SEC FORM 17-A

**The Company shall provide to the stockholders, without charge, on written request, the Annual Report of the Company on SEC Form 17-A. Alternatively, the Annual Report of the Company is readily available for download in the Company website. All such requests for a copy of the Annual Report shall be directed to:**

**The Corporate Secretary**
**DigiPlus Interactive Corp.**
**Ecoprime Bldg., 32nd St. cor. 9th Ave.**
**Bonifacio Global City, Taguig City**

## SIGNATURE

*After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on June 25, 2025.*

**DIGIPLUS INTERACTIVE CORP.**
**Issuer**
*By:*

Type text he

**ATTY. CAROL V. PADILLA**
*Corporate Secretary*

digiplus

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders ("ASM") of **DigiPlus Interactive Corp.** (the "Corporation" or "DigiPlus") will be held on **Friday, 25 July 2025,** at **2:00 p.m.** The ASM will be conducted in hybrid format (a combination of in-person for the Board of Directors and remote participation for the stockholders). The in-person meeting for the Board of Directors will be held in Grand Hyatt Manila, 8th Avenue corner 35th St., Taguig City, and shall be livestreamed *via* Zoom Teleconference for stockholders participating remotely.

The agenda of the meeting will be as follows:

1. Call to Order
2. Determination of Quorum
3. Approval of the Minutes of the Annual Meeting held on July 26, 2024
4. Management Report
5. Approval of Annual Report and Audited Financial Statements for the fiscal year 2024
6. Ratification of actions taken by the Board of Directors and Officers since the last annual meeting
7. Nomination and Election of Directors
8. Appointment of External Auditor
9. Amendment of the By-Laws
10. Other Matters
11. Adjournment

In accordance with the rules and regulations of the Securities and Exchange Commission and the Corporation's By-Laws, DigiPlus will conduct the ASM *via* remote or electronic communication. Stockholders of record as of June 25, 2025 are entitled to notice of, and may attend and/or participate in, the ASM or any adjournment thereof via proxy and remote communication, and vote *in absentia.*

Should you choose to participate in the ASM via remote communication through Zoom Teleconference, please pre-register using the link: https://tinyurl.com/PLUS2025ASM on or before **12:00 p.m. on 16 July 2025.** Stockholders who have successfully registered may cast their votes and will be provided the link to the meeting. Due to the limitations of available technology, voting will not be possible during the Teleconference, but participants may send in questions or remarks via email, and vote through the submission of their respective signed proxy forms with the specific votes per item in the agenda that is subject to the shareholders' approval.

If you wish to cast your votes as a stockholder, you may vote remotely or *in absentia*, or through proxy by sending your respective votes as well as the complete supporting documents by e-mail to ASM@digiplus.com.ph on or before 12:00 p.m. on 16 July 2025. The detailed registration and procedures for attendance and voting during the 2025 ASM will be posted in the Company's website at www.digiplus.com.ph.

Stockholders who cannot attend the meeting in person may designate their authorized representative by submitting a Proxy instrument together with complete supporting documents in accordance with Sec. 57 of the Revised Corporation Code. Validation of the proxies shall be held on July 17, 2025 at the office of the Corporation's transfer agent, Stock Transfer Services, Inc., Unit 34-D Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. **WE ARE NOT SOLICITING PROXIES.**

To facilitate your registration of attendance, please have available some form of government-issued identification such as passport or driver's license.

Thank you.

Taguig City. May 19, 2025.

FOR THE BOARD

**CAROL V. PADILLA**
*Corporate Secretary*

DIGIPLUS INTERACTIVE CORP
32nd-36th Floor Ecoprime Building, 32nd Street corner 9th Avenue, Bonifacio Global City, Taguig City, 1635 Philippines
(+63) 2 8637 5291-93 (+63) 2 8637 5291-92

## RATIONALE FOR THE AGENDA ITEMS

**Agenda Item No. 3: Approval of the Minutes of the Annual Meeting held on July 26, 2024**

The Minutes of the 2024 Annual Stockholders' Meeting (ASM) held on July 26, 2024 was posted in the Corporation's website within five (5) days after the meeting. The results of the 2024 ASM were disclosed with The Philippine Stock Exchange, Inc. immediately after the meeting. The Board of Directors recommends the approval of the Minutes to the shareholders as part of the agenda of the 2025 ASM.

**Agenda Item No. 4 and 5: Management Report and Approval of Annual Report and Audited Financial Statements for the Fiscal Year 2024**

The Corporation's performance for the Fiscal Year (FY) 2024 has been summarized and reported in its Annual Report which includes the Audited Financial Statements (AFS) for the year ended 2024. The AFS has been audited by the Corporation's external auditor who expressed an unqualified opinion. The 2024 Annual Report is duly posted in the Corporation's website.

**Agenda Item No. 6: Ratification of actions taken by the Board of Directors and Officers since the last annual meeting**

The Corporation's actions and performance for FY 2024 are results of the strategic actions, directions and policies set by its Board of Directors. The Board's actions and decisions were executed and complied with by the Corporation's management in accordance with its internal procedures and guidelines. The Board's actions and decisions recommends its ratification to the shareholders as part of the agenda in the 2025 ASM.

**Agenda Item No. 7: Nomination and Election of Directors**

The Corporation's Nomination Committee conducted screening and evaluation of the list of candidates who will be recommended for directorship for the ensuing year 2025-2026. The recommended directors have proven their competence, expertise, and qualifications. The experience and expertise of the recommended directors are available in the Corporation's website.

**Agenda Item No.8: Appointment of External Auditor**

The Corporation's Board of Directors, upon the endorsement of its Audit Committee, recommends the appointment of Isla Lipana & Co. as its external auditor for the Fiscal Year 2025. Isla Lipana & Co. has proven its competence to perform the audit of the Corporation and has complied with the accreditation of the Securities and Exchange Commission.

**Agenda Item No. 9: Amendment of the By-Laws of the Corporation**

The Corporation's Board of Directors approved the amendment of DigiPlus' By-Laws primarily to move the date of the Annual Stockholders' Meeting from "*the last Friday of July*" to "*the last Friday of May*", and to align the other sections of the By-Laws with applicable law and Securities and Exchange Commission (SEC) issuances. The amendment of the By-Laws requires the approval of the majority of the outstanding capital stock of the stockholders pursuant to Section 47, RCC.

REPUBLIC OF THE PHIILIPPINES)
) S.S.

## CERTIFICATION

I, **CAROL V. PADILLA**, Filipino, of legal age, with business address 35th Flr., Ecoprime Bldg., 32nd St. cor. 9th Ave., Bonifacio Global City, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am the elected and incumbent Corporate Secretary of **DIGIPLUS INTERACTIVE CORP.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines with principal address at Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City;

2. As of this date and based on records, no directors, independent directors, or officers of the Corporation named in the Information Statement (SEC Form No. 20-IS) has been elected, or appointed to, or is presently occupying a position in any government agency, bureau, department, or office;

3. I am issuing this Certificate in compliance with the requirement of the Securities and Exchange Commission.

**IN WITNESS WHEREOF**, I have hereunto affixed my signature this JUN 2 4 2025 at Taguig City.

**CAROL V. PADILLA**
*Corporate Secretary*

**SUBSCRIBED AND SWORN** to before me, a Notary Public for and in Taguig City this JUN 2 4 2025, affiant exhibited to me her Bureau of Internal Revenue – TIN ID with No.

Doc. No. 318
Page No. 65
Book No. I
Series of 2025.

DOC. STAMP PAID

03544334

ADRIAN A. TADENA
Notary Public for Taguig City
Until December 31, 2026
Appointment No. 112 (2025-2026)
Roll No. 69132
IBP Lifetime No. 16680 / 05.17.2017
PTR No. 6470952 / 02.07.2025 / Taguig City
MCLE Compliance No. VIII-0019612 / 01.13.2025
25th Floor One World Place, 32nd Street, Bonifacio Global City
Fort Bonifacio, Taguig City

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY ) S.S.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **ARTHUR R. TAN**, Filipino, of legal age and a resident of , after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **DIGIPLUS INTERACTIVE CORP.** and have been its independent director since November 5, 2024;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

| COMPANY/ORGANIZATION | POSITION/RELATIONSHIP | PERIOD OF SERVICE |
|---|---|---|
| Lyceum of the Philippines University | Independent Director | January 2015 to present |
| FEU Institute of Technology/East Asia Computer Center, Inc. | Independent Director | January 2017 to present |
| SSI Group | Independent Director | June 2021 to present |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **DIGIPLUS INTERACTIVE CORP.,** as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of **DIGIPLUS INTERACTIVE CORP.** and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I am not affiliated with any government agencies or government-owned and controlled corporations;

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;

8. I shall inform the Corporate Secretary of **DIGIPLUS INTERACTIVE CORP.** of any changes in the abovementioned information within five (5) days from its occurrence;

Done, this JUN 02 2025 at MAKATI CITY.

**ARTHUR R. TAN**
Affiant

**SUBSCRIBED AND SWORN** to before me this JUN 02 2025 at MAKATI CITY, affiant personally appeared before me and exhibited to me his LTO Driver's License valid until

Doc. No. 211;
Page No. 44;
Book No. 62;
Series of 2025.

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

REPUBLIC OF THE PHIILIPPINES)
Taguig City ) S.S.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RAMON PANCRATIO D. DIZON**, Filipino, of legal age and a resident of after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **DIGIPLUS INTERACTIVE CORP.** and have been its independent director since October 26, 2022;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

| COMPANY/ORGANIZATION | POSITION/RELATIONSHIP | PERIOD OF SERVICE |
|---|---|---|
| Megalink, Inc. | Independent Director | May 2022 to present |
| PAL Holdings, Inc. | Independent Director | Sept. 2022 to present |
| MacroAsia Corporation | Independent Director | May 2024 to present |
| Filinvest REIT Corporation | Independent Director | April 2024 to present |
| STI College Novaliches, Inc. | Independent Director | August 2024 to present |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **DIGIPLUS INTERACTIVE CORP.,** as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of **DIGIPLUS INTERACTIVE CORP.** and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I am not affiliated with any government agencies or government-owned and controlled corporations;

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;

8. I shall inform the Corporate Secretary of **DIGIPLUS INTERACTIVE CORP.** of any changes in the abovementioned information within five (5) days from its occurrence;

Done, this JUN 0 9 2025 at Taguig City.

**RAMON PANCRATIO D. DIZON**
*Affiant*

**SUBSCRIBED AND SWORN** to before me this JUN 0 9 2025 at Taguig City, affiant personally appeared before me and exhibited to me his Passport No. valid until

Doc. No. 289;
Page No. 59;
Book No. I;
Series of 2025.

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29 109900

ADRIAN A. TADENA
Notary Public for Taguig City
Until December 31, 2026
Appointment No. 112 (2025-2026)
Roll No. 69132
IBP Lifetime No. 1680 / 05.17.2017
PTR No. 6470952 / 02.0 .2025 / Taguig City
MCLE Compliance No. VIII-0019612 / 01.13.2025
25th Floor One World Place, 32nd Street, Bonifacio Global
Fort Bonifacio, Taguig City

REPUBLIC OF THE PHIILIPPINES)
Taguig City ) S.S.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **TIMOTEO B. AQUINO**, Filipino, of legal age and a resident of after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of **DIGIPLUS INTERACTIVE CORP.** and have been its independent director since July 29, 2022;

2. While I am a director of *Dynamic Care Corporation* since 2021 and a partner of *Tagle-Chua Cruz & Aquino Law Firm* since July 1994, I am not affiliated, both in the management and ownership, with any company or organization, including public companies and Government-owned and controlled corporations;

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **DIGIPLUS INTERACTIVE CORP.,** as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other Securities and Exchange Commission (SEC) issuances;

4. I am not related to any director, officer, or substantial shareholder of **DIGIPLUS INTERACTIVE CORP.** and its subsidiaries and affiliates;

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding;

6. I am not affiliated with any government agencies or government-owned and controlled corporations;

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;

8. I shall inform the Corporate Secretary of **DIGIPLUS INTERACTIVE CORP.** of any changes in the abovementioned information within five (5) days from its occurrence;

Done, this JUN 09 2025 at Taguig City.

**TIMOTEO B. AQUINO**
*Affiant*

**SUBSCRIBED AND SWORN** to before me this JUN 09 2025 at Taguig City, affiant personally appeared before me and exhibited to me his LTO Driver's License No. valid until

Doc. No. 301;
Page No. 62;
Book No. I;
Series of 2025.

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ADRIAN A. TADENA
Notary Public for Taguig City
Until December 31, 2026
Appointment No. 112 (2025-2026)
Roll No. 69132
IBP Lifetime No. 5680 / 05.17.2017
PTR No. 6470952 / 02.07.2025 / Taguig City
MCLE Compliance No. VIII-0019612 / 01.13.2025
25th Floor One World Place, 32nd Street, Bonifacio Global City
Fort Bonifacio, Taguig City

**DIGIPLUS INTERACTIVE CORP.**
Minutes of the Annual Stockholders Meeting
26 July 2024 at 2:00 P.M.
Hybrid Set Up:
Grand Hyatt, Bonifacio Global City
and *via* Zoom

**Stockholders Present:**

| | |
|---|---|
| Total Number of Shares Outstanding | 4,407,659,178 |
| Total No. of Shares of Stockholders Participating | 3,108,104,218 |
| Percentage of Shares of Stockholders Participating | 70.52% |

**Directors Present:**

| | |
|---|---|
| Mr. Eusebio H. Tanco | Chairman of the Board;<br>Chairman of the Executive Committee;<br>Chairman of the Nomination Committee;<br>Member of the Corporate Governance Committee |
| Mr. Tsui Kin Ming | President and Chief Executive Officer;<br>Member of the Executive Committee;<br>Member of the Compensation Committee |
| Mr. Willy N. Ocier | Member of the Related Party Transaction Committee |
| Atty. Mardomeo N. Raymundo, Jr. | Member of the Executive Committee |
| Mr. Rafael Jasper S. Vicencio | Member of the Nomination Committee |
| Mr. Renato G. Nuñez | Member of the Board Risk Oversight Committee |
| Atty. Jose Raulito E. Paras | Member of the Audit Committee;<br>Member of the Compensation Committee |
| Mr. Ramon Pancratio D. Dizon | Independent Director;<br>Chairman of the Audit Committee;<br>Chairman of the Related Party Transaction Committee;<br>Chairman of the Compensation Committee;<br>Member of the Corporate Governance Committee;<br>Member of the Board Risk Oversight Committee |
| Atty. Timoteo B. Aquino | Independent Director;<br>Chairman of the Corporate Governance Committee;<br>Chairman of the Board Risk Oversight Committee;<br>Member of the Audit Committee;<br>Member of the Related Party Transaction Committee;<br>Member of the Compensation Committee;<br>Member of the Nomination Committee |

**Others Present:**

Atty. Kristine Margaret R. Delos Reyes, *Compliance Officer*
Atty. Carol V. Padilla, *Corporate Secretary*
Mr. Wilfredo Pielago, *Treasurer, Chief Financial Officer*
Ms. Analen A. Hernandez, *Assistant Corporate Secretary*
Ms. Celeste Jovenir, *Investor Relations & Corporate Communications*

Mr. Pocholo C. Domondon, *Isla Lipana & Co. Partner*
Atty. Rosalyn Batay, *Head, Internal Audit Department*
Mr. Elias John Kukas, *Head, Investments*
Mr. Teh Teng Yeong, *Business Unit Head*
Mr. Richard Regala Jr., *Stock Transfer Service, Inc.*

## 1. CALL TO ORDER

The Chairman, Mr. Eusebio H. Tanco, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Carol V. Padilla, recorded the minutes of the meeting.

## 2. PROOF OF NOTICE AND DETERMINATION OF QUORUM

The Corporate Secretary certified that the Definitive Information Statement, the Notice and Agenda for the 2024 Annual Stockholders' Meeting (ASM) of the Corporation were disclosed in the Philippine Stock Exchange's EDGE Submission System on 8 May 2024. The final amended notice was disclosed on 21 June 2024. The notice and agenda were also published in newspapers of general circulation, both in print and online, Manila Standard and Malaya on June 25 and 26, 2024.

The notice and agenda were further sent to stockholders by mail and messengerial services to all shareholders as of record date at their respective addresses of record. The notices were sent out at least 21 days prior to the Annual Stockholders' Meeting in accordance with the requirements of the Revised Corporation Code and the applicable SEC regulations.

Through the notice, the Stockholders have been informed that the ASM will be held in hybrid format wherein the Board of Directors will be present at Grand Hyatt Manila, 8th Avenue corner 35th St., Taguig City and shall be livestreamed *via* Zoom Teleconference for stockholders participating remotely.

The stockholders have also been notified that if they wish to cast their votes as a stockholder, they may vote remotely or *in absentia*, or through a proxy. Voting by remote communication or *in absentia* may be done by sending their respective votes *via* email to ASM@digiplus.com.ph on or before 12:00 pm of 17 July 2024.

The Corporate Secretary certified that a quorum was present and is ready to transact business with the presence of stockholders participating representing a total of Three Billion One Hundred Eight Million One Hundred Four Thousand Two Hundred Eighteen (3,108,104,218) common shares. This constitutes 70.52% or more than two-thirds (2/3) of the Four Billion Four Hundred Seven Million Six Hundred Fifty-Nine Thousand One Hundred Seventy-Eight (4,407,659,178) total outstanding common stock of the company.

## 3. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

> "**RESOLVED**, as it is hereby resolved, that the reading of the minutes of the Annual Meeting of the stockholders held on July 28, 2023 is dispensed with, and all matters included in the minutes are considered complete and accurate, and are approved for all intents and purposes."

| OPINION | VOTES CAST | PERCENTAGE |
|---|---|---|
| In favor | 3,108,104,218 | 100.00% |
| Against | 0 | 0.00% |
| Abstain | 0 | 0.00% |
| **Total** | **3,108,104,218** | **100.00%** |

As approved by the shareholders, the Chairman stated that the resolution is carried.

**4. MANAGEMENT REPORT**

The Chairman delivered his message to the Company's stakeholders *via* pre-recorded message, as follows:

**Chairman's Message**

The year 2023 was another banner year for DigiPlus as we continue to execute on our strategic transformation journey to adapt to the evolving landscape, redefine our strategy, and ensure our relevance for the future.

Amid the challenges of the pandemic, we saw an opportunity to make a strategic pivot to capture the tremendous potential around the rapid pace of digital transformation taking place across industries.

At the start of 2022, we launched the pioneering BingoPlus digital platform, revolutionizing how Filipinos consume and experience leisure and entertainment.

Through new technologies, innovation, and a deep bench of local and global talents, we are creating game-changing entertainment formats to Filipinos that can be accessed anytime and anywhere.

Since launching BingoPlus, we have introduced new digital offerings that cater to broader demographics and lifestyle preferences.

We introduced a digital sportsbook, ArenaPlus, specialty games under Perya Game, which mimics the traditional Filipino carnival, as well as card games.

As we continue to invest in cutting-edge technologies and product development to continuously offer unparalleled enjoyment for Filipinos, we expect to launch more digital offerings in the coming months.

Since embarking on our transformation journey, we have achieved market leadership in digital entertainment, posting record-growth in our financial performance.

In 2023, our net profits surged nearly sixfold to 4.1 billion pesos as we continue to attract new users into our platforms, boosted by the launch of new and innovative digital offerings.

In 2023, the Board established the company's dividend policy with a payout rate of 20 percent to 30 percent of the previous year's core net income.

In March this year, DigiPlus paid a cash dividend amounting to 18 centavos per share, representing 20% of our net income in 2023.

The equities market has started to reward us for these achievements, with DigiPlus becoming one of the best performing stocks in the Philippine Stock Exchange in recent time.

Our market capitalization has soared over 500 percent to over 60 billion pesos from a year ago.

Our efforts have likewise been recognized by international institutions. DigiPlus was one of the 38 Philippine companies that made it to the inaugural Fortune Southeast Asia 500.

In addition, we have earned multiple accolades for innovation and technology, corporate social responsibility, and sustainability from various international award-giving bodies.

As we continue to carry out our transformation agenda, we aim to align who we are now and what we are set out to do with our brand identity.

Together with our partners from Landor, a world-leading brand specialist firm, we underwent a corporate rebranding exercise to redefine our brand strategy and visual identity, aiming to transform the meaning of "Plus" in our brand name into the brand idea of "Multiply the Fun."

This shift in perspective sets the foundation for an exciting and transformative path ahead for DigiPlus as a pioneer and industry game-changer, leading the way in harnessing the power of technologies to ignite new opportunities towards sustained growth.

Going forward, we are positive about the prospects for digital entertainment and aim to cement our leadership in the space.

Digital gaming is the fastest-growing segment in the Philippine gaming industry, and is expected to contribute 18% of total gross gaming revenues in 2024.

Further, structural changes are encouraging greater participation in digital gaming with the harmonization of PAGCOR share for e-games.

On the consumer front, the country's internet connectivity continues to improve, with smartphone penetration expected to reach 97 percent by 2029 from the current 80 percent. Internet penetration, on the other hand, is seen to reach 78 percent by 2029 from the current 62 percent.

Having established an early-mover advantage, we have accumulated a strong user base across our digital platforms complemented by over 130 physical sites spread out across the country, we believe that DigiPlus is poised to dominate the flourishing Philippine digital entertainment industry.

In closing, in all the milestones we have achieved, at DigiPlus, we are committed to driving innovation and contributing to the country's economic growth and social development.

In 2023, DigiPlus paid 13.1 billion pesos in taxes to the Philippine government.

We provided jobs to over 2,000 employees in different parts of the country.

As a final word, I would like to thank our Board of Directors for its guidance, our management team and all our employees for the outstanding work that they have done in DigiPlus, our shareholders, business partners, and all our stakeholders for their continued trust and support.

The Chairman then called the Company's President, Mr. Tsui Kin Ming, to deliver his Report *via* pre-recorded message, as follows:

**President's Report**

To our shareholders, good afternoon to all of you.

We are delighted to report another milestone year for DigiPlus as we have achieved a great success for the critical transformation journey that we embarked on in 2022.

With our continued investment in new technologies, product development, and in building a solid pool of local and international talents from technology and operations, we became the market leader in the digital entertainment space.

In 2023, DigiPlus posted a net income of Php4.1 Billion, surging 596 percent from its year-ago level. The strong performance was driven by the sustained growth of our digital retail segment, boosted by the introduction of new platforms and cost-efficiencies as the business continues to gain scale.

Meanwhile, revenues increased to 306 percent or Php27.3 Billion on higher user traffic in BingoPlus and ArenaPlus, lifted by the contribution of new digital offerings.

EBITDA, on the other hand, reached Php4.8 Billion, expanding nearly fivefold from the previous year.

As we aim to solidify our leadership in the space, we are developing an ecosystem of digital platforms, unlocking innovative entertainment formats for Filipinos that can be accessed anytime and anywhere.

In 2023, we expanded our digital offerings to tap a broader segment of consumers.

We launched ArenaPlus, a digital sportsbook that livestreams local and international sporting events, including the Philippine Basketball Association, Philippine Volleyball League, and NBA Playoffs. It was also the official sportsbook partner of the FIBA World Cup held in Manila in September 2023.

As our third platform, we introduced specialty games such as Perya Game, which mirrors the traditional Filipino carnival experience. Through Perya Game, we are bringing carnival games that are well-loved by Filipinos.

We also introduced BingoPlus Poker, which captures the thrill and fun of well-loved card games in the digital space.

To strengthen our competitive advantage, we continue to harness our platforms' livestreaming capabilities to deliver a more interactive, immersive, and enjoyable experience to our users.

During the year, we completed our flagship studios equipped with world-class livestreaming facilities for our offerings, including BingoPlus and Perya Game.

Since 2022, we have accumulated over 30 million registered users across our digital ecosystem. We intend to optimize user engagement and retention by providing tailored experiences.

We have set up a Big Data and Analytics team to enable us to better understand and predict user behavior and categorize users through personalization.

To diversify our product portfolio, we are introducing non-gaming entertainment content into our platforms to attract a wider user base. We have launched a new Reels feature, showcasing short movie clips to help to increase traffic and retention into our platforms. We expect to expand our non-gaming content in the coming months.

Looking ahead, we continue to be optimistic about the prospects for the company as we invest heavily in new technologies and product development to deliver innovative, fun, affordable and accessible digital offerings that are traditionally well-loved by Filipinos.

We remain committed in adhering to the highest standards of environmental, social, and governance practices.

In 2023, we formed a new Sustainability team and developed the company's Sustainability Framework to align ourselves with global standards. This year, we published our first Integrated Report, which follows the reporting frameworks recognized globally.

Finally, we remain committed to creating a positive impact on our communities and the environment.

For 2024, we raised our budget allocation for corporate social responsibility efforts under BingoPlus Foundation to over 100 million pesos, a fivefold increase from the previous year.

We take pride in BingoPlus Foundation and how it provides concrete support to Filipinos and contribute to the country's socio-economic goals. We intend to go the extra miles to strategically offer the best possible support and assistance to Filipinos through our four pillars of advocacies.

First, Technology Education, focused on empowering the next generation of Filipino talents in the technology industry.

Second, Accessible Healthcare, aimed at making basic healthcare accessible to communities.

Third, Community Resiliency, centered on addressing communities' pressing needs, including disaster relief and emergency support.

Finally, Responsible Digitalization, focused on creating a safer online environment for Filipinos, including responsible gaming.

In closing, I wish to thank our Board of Directors for its strong engagement, my colleagues in the management team and all our employees for their dedication, and our shareholders and our many stakeholders for their trust and support.

Thereafter, Mr. Tsui Kin Ming added and highlighted the efforts made by its foundation arm, the BingoPlus Foundation, in creating a positive impact on communities all over the Philippines and how it provides concrete support to Filipinos and contributes to the country's national development agenda.

## 5. APPROVAL OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2023

As confirmed by the Corporate Secretary, copies of the Annual Report and Audited Financial Statements have been made available on the Company's website and in the Philippine Stock Exchange's (PSE) EDGE Submission System as part of the Information Package.

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

> "**RESOLVED**, as it is hereby resolved, that the Annual Report and Audited Financial Statements for the fiscal year 2023, electronic copies of which have been made available on the Company's website as part of the Information Package and in the Philippine Stock Exchange's (PSE) EDGE Submission System, are hereby approved."

| OPINION | VOTES CAST | PERCENTAGE |
|---|---|---|
| In favor | 3,105,111,018 | 99.90% |
| Against | 42,400 | 0.00% |
| Abstain | 2,950,800 | 0.09% |
| **Total** | **3,108,104,218** | **100.00%** |

The Chairman, upon motion made and duly seconded, approved the resolution.

## 6. RATIFICATION OF ACTIONS TAKEN BY THE BOARD OF DIRECTORS AND OFFICERS SINCE THE LAST ANNUAL MEETING HELD ON 28 JULY 2023

The Chairman confirmed that all material information and transactions were duly disclosed to the shareholders and the public.

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

> "**RESOLVED**, as it is hereby resolved, that all the acts of the Board of Directors and of the Officers during the fiscal year 2023 and immediately preceding the July 26, 2024 annual stockholders' meeting, are approved, confirmed and ratified for all intents and purposes."

| OPINION | VOTES CAST | PERCENTAGE |
|---|---|---|
| In favor | 3,106,032,418 | 99.93% |
| Against | 0 | 0.00% |
| Abstain | 2,071,800 | 0.07% |
| **Total** | **3,108,104,218** | **100.00%** |

As approved by the shareholders, the Chairman stated that the resolution is carried.

## 7. NOMINATION AND ELECTION OF DIRECTORS

Mr. Tanco, being the Chairman of the Nomination Committee as well, announced the list of nominees.

He informed the stockholders that out of the nine (9) directors to be nominated and elected to the board seats of the Company, the Company is required by law to nominate and elect two (2) independent directors. The nominees to the seats for independent directors have been pre-qualified by the Nomination Committee in accordance with the requirements and procedure set forth under Rule 38 of the Securities Regulations Code.

Upon motion duly made and seconded, the following persons were elected as independent directors for the ensuing year until their successors have been duly elected and qualified:

1. Mr. Ramon Pancratio D. Dizon
2. Atty. Timoteo B. Aquino

Mr. Tanco presented the nominees for the remaining seven (7) seats in the Board, are as follows:

1. Mr. Eusebio H. Tanco
2. Mr. Tsui Kin Ming
3. Mr. Willy N. Ocier
4. Atty. Mardomeo N. Raymundo Jr.
5. Mr. Rafael Jasper S. Vicencio
6. Mr. Renato G. Nuñez
7. Atty. Jose Raulito E. Paras

The Corporate Secretary then presented the tally of votes received by each nominee, as confirmed and validated by the Company's stock and transfer agent, Stock Transfer Service, Inc., as follows:

| Board | Yes | Against | Abstain | Number of Yes Votes |
|---|---|---|---|---|
| Eusebio H. Tanco | 99.59% | 0.13% | 0.28% | 3,095,409,718 |
| Tsui Kin Ming | 99.80% | 0.00% | 0.20% | 3,101,792,718 |
| Willy N. Ocier | 98.13% | 0.00% | 1.87% | 3,049,973,918 |
| Mardomeo N. Raymundo, Jr. | 98.29% | 0.00% | 1.71% | 3,054,990,118 |
| Rafael Jasper S. Vicencio | 98.16% | 0.13% | 1.71% | 3,051,000,418 |
| Renato G. Nuñez | 98.16% | 0.13% | 1.71% | 3,051,000,418 |
| Jose Raulito E. Paras | 98.29% | 0.00% | 1.71% | 3,054,990,118 |

| Independent Director | Yes | Against | Abstain | Number of Yes Votes |
|---|---|---|---|---|
| Mr. Ramon Pancratio D. Dizon | 99.82% | 0.13% | 0.05% | 3,102,445,518 |
| Atty. Timoteo B. Aquino | 99.82% | 0.13% | 0.05% | 3,102,445,518 |

There being no other nominations, the Chairman declared the nine (9) nominees as the duly elected directors of the Company for the ensuing year until their successors have been duly elected and qualified.

## 8. APPROVAL OF THE INCORPORATION OF A NEW WHOLLY-OWNED SUBSIDIARY

The Chairman informed the stockholders that on April 11, 2024, the Board of Directors of the Company approved the incorporation of a new wholly-owned subsidiary which will serve as an investment holding company. This has the primary objective of identifying and acquiring investments to optimize the Company's portfolio of entertainment and leisure assets.

The transaction is aligned with DigiPlus' strategic vision to position itself as the leading, most innovative, and technologically advanced digital entertainment group in the Philippines. The establishment of this subsidiary allows DigiPlus to unlock new forms of entertainment for customers, including offering new platforms to various demographics and lifestyle preferences. Thus, the Board endorsed this matter for the approval of the stockholders.

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

> "**RESOLVED**, as it is hereby resolved, that the incorporation of a new wholly-owned subsidiary to engage in investments holdings is approved."

| OPINION | VOTES CAST | PERCENTAGE |
|---|---|---|
| In favor | 3,106,775,418 | 99.96% |
| Against | 0 | 0.00% |
| Abstain | 1,328,800 | 0.04% |
| **Total** | **3,108,104,218** | **100.00%** |

As approved by the shareholders, the Chairman stated that the resolution is carried.

## 9. APPROVAL OF THE AMENDMENT OF ARTICLES II AND III OF THE COMPANY'S BY-LAWS

The Chairman informed the stockholders that the Board recommends the amendment of DigiPlus' By-Laws, particularly Articles II, Sections 1-6 and Article III, Sections 1, 3 and 4 to align with recent SEC regulations to expressly allow the conduct of stockholders' and board of directors' meetings virtually and for voting through remote communication, among others.

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

"**RESOLVED**, as it is hereby resolved, the amendment of the following sections of Articles II and III of the By-Laws are hereby approved:

| **Article and Section Nos.** | **From** | **To** |
|---|---|---|
| Article II, Section 1 | ANNUAL MEETING of the stockholders of this Company shall be held in the principal office of the Company as stated in its Articles of Incorporation, on last Friday of July of each year, unless a different date is fixed by the Board, at the hour of 2:00 P.M. (as amended on 22 March 2013) | <u>ANNUAL MEETING</u> of the stockholders of this Company shall be held in the principal office of the Company as stated in its Articles of Incorporation, on last Friday of July of each year, unless a different date is fixed by the Board, at the hour of 2:00 P.M. *(as amended on 22 March 2013)*<br><br>**<u>The Company may hold the annual or regular meeting virtually, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual meetings shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to physical meeting. The virtual meeting shall be recorded which shall form part of the records of the Corporation.</u>** *(as amended on 26 July 2024)* |
| Article II, Section 2 | SPECIAL MEETING of the stockholders may be called at the principal office of the Company at any time by resolution of the Board of Directors or by the order of the Chairman of the Board or of the President or upon the written request of stockholders registered as the owners of one-third of the total outstanding stock. | <u>SPECIAL MEETING</u> of the stockholders may be called at the principal office of the Company at any time by resolution of the Board of Directors or by the order of the Chairman of the Board or of the President or upon the written request of stockholders registered as the owners of one-third of the total outstanding **<u>capital</u>** stock.<br><br>**<u>The Company may hold the special stockholders' meeting virtually, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual meetings shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to physical meeting.</u>** *(as amended on 26 July 2024)* |
| Article II, Section 3 | NOTICE OF MEETING written or printed, for every regular or | NOTICE OF MEETING written or printed, for every regular or special |

| | | |
|---|---|---|
| | special meeting of the stockholders shall be prepared and mailed to the registered post office address of each stockholder not less than fifteen (15) calendar days prior to the date set for such meeting, and if for a special meeting, such notice shall state the object or objects of the same. No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest, shall invalidate such meeting or any proceeding thereat. No publication of notice of meeting in the public newspaper shall be required | meeting of the stockholders shall be **sent to each stockholders' registered post office address, or by electronic transmission, or by such other manner as allowed by the Securities and Exchange Commission**, not less than **twenty-one (21)** calendar days prior to the date set for such meeting, and if for a special meeting, such notice shall state the object or objects of the same.<br><br>**The Company shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered upon the transfer or posting by electronic means.**<br><br>**As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Company, posting in the Philippine Stock Exchange, posting in the Company's website, or such other recognized means of electronic transfer of data or information.**<br><br>**The Company shall require all stockholders to provide a valid electronic address for them to receive notices and other information or documents from the Company.**<br><br>No failure or irregularity of notice of any regular meeting shall invalidate such meeting or any proceeding thereat, and no failure or irregularity of notice of any special meeting at which all the stockholders are present and voting without protest, shall invalidate such meeting or any proceeding thereat. ~~No publication of notice of meeting in the public newspaper shall be required.~~<br><br>**Notice of any meeting may be waived, expressly or impliedly, including through stockholders' attendance to a meeting unless the stockholders' presence is for** |

| | | |
|---|---|---|
| | | **<u>the express purpose of contending that the meeting is not lawfully convened.</u>** *(as amended on 26 July 2024)* |
| Article II, Section 4 | A QUORUM AT ANY MEETING of the stockholders shall consists of a majority of the voting stock of the company represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, save and except in those several matters which laws of the Philippines require the affirmative vote of a greater proportion. | <u>A QUORUM AT ANY MEETING</u> of the stockholders shall consists of a majority of the voting stock of the company represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, save and except in those several matters which laws of the Philippines require the affirmative vote of a greater proportion. **<u>Stockholders casting votes through remote communication or *in absentia*, electronically or otherwise, shall be considered present for purposes of computing the quorum of the meeting.</u>** *(as amended 26 July 2024)* |
| Article II, Section 5 | PROXIES - Stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly given in writing, and duly presented to the Secretary for Inspection and record at least five (5) working days prior to the opening of the meeting. No proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the meeting. | <u>PROXIES</u> - Stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly given in writing, and duly presented to the Secretary for Inspection and record at least five (5) working days prior to the opening of the meeting. No proxy bearing a signature which is not legally acknowledged shall be recognized at any meeting unless such signature is known and recognized by the Secretary of the meeting. **<u>Validation of proxies shall be conducted by the Office of the Corporate Secretary at least five (5) business days prior to the date of the stockholders' meeting</u>.**<br><br>**<u>REMOTE COMMUNICATION - Any stockholder entitled to vote may vote in person, through remote communication, *in absentia*, electronically or otherwise or be represented by proxy at any regular or special stockholders' meetings, subject to compliance with existing rules and regulations as may be issued by the Securities and Exchange Commission from time to time.</u>** *(as amended on 26 July 2024)* |

| | | |
|---|---|---|
| Article II, Section 6 | ELECTION OF DIRECTORS shall be held at the annual meeting of shareholders and shall be conducted in the manner provided by the Corporation Law of the Philippines, including the nomination and election of independent directors to such number of board seats as set forth in and prescribed by the rules and regulations of the Securities and Exchange Commission of such other pertinent government agency or instrumentality and which such formalities and machinery as the offer presiding at the meeting shall then and there determine and provide. (as amended on 28 November 2003). | ELECTION OF DIRECTORS shall be held at the annual meeting of shareholders and shall be conducted in the manner provided by the **Revised** Corporation **Code** of the Philippines, including the nomination and election of independent directors to such number of board seats as set forth in and prescribed by the rules and regulations of the Securities and Exchange Commission or such other pertinent government agency or instrumentality and with such formalities and machinery as the offer presiding at the meeting shall then and there determine and provide. *(as amended on 26 July 2024)* |
| Article III, Section 1 | THE BUSINESS AND PROPERTY of the company shall be managed by the Board of Directors who shall be stockholders and who shall be elected annually by the stockholders for the term of one (1) year and shall serve until the election and acceptance of their duly qualified successors. Any vacancies may be filed by the remaining members of the Board by a majority vote of the Directors so chosen shall serve for the unexpired term. | THE BUSINESS AND PROPERTY of the company shall be managed by the Board of Directors who shall be stockholders and who shall be elected annually by the stockholders for the term of one (1) year and shall serve until the election and acceptance of their duly qualified successors. Any vacancies may be **filled** by the remaining members of the Board by a majority vote of the Directors so chosen shall serve for the unexpired term. *(as amended on 26 July 2024)* |
| Article III, Section 3 | SPECIAL MEETING of the Board of Directors shall be held in the principal office of the company or at such other place in Makati, Metro Manila as may be designated in the call and may be called by the Chairman of the Board at any time or by any three members of the Board, or such other special meetings may be held at any time and place without notice by the unanimous consent of all members of the Board who are then present within the Philippines, or with the presence and participation of all members of the Board who are then present in the Philippines. | SPECIAL MEETING of the Board of Directors shall be held in the principal office of the company or at such other place in **Metro Manila** as may be designated in the call and may be called by the Chairman of the Board at any time or by any three members of the Board, or such other special meetings may be held at any time and place without notice by the unanimous consent of all members of the Board who are then present within the Philippines, or with the presence and participation of all members of the Board who are then present in the Philippines.<br><br>**The meetings of the Board may be conducted and participation of directors, including voting, can be in person, through remote** |

| | | |
|---|---|---|
| | | **communication, such as videoconferencing, teleconferencing, or other alternative modes of communications allowed by the Securities and Exchange Commission. Provided however, participation and voting of the Board cannot be made and done through proxy.** *(as amended on 26 July 2024)* |
| Article III, Section 4 | NOTICE — written notice of the regular or special meeting of the Board specifying the date, time and place of the meeting, shall be sent by the Secretary to each director by personal delivery (messenger), ordinary or express mail (courier), facsimile, or e-mail. The notice shall also include the following:<br>a. Inquiry on whether the director will attend physically or through video/teleconference;<br>b. Contact number/s of the Corporate Secretary and his or her office staff whom the director may call to notify and state whether he shall be physically present or shall attend through video/teleconference; and<br>c. Agenda of the meeting (as amended on 22 March 2013) | NOTICE — written notice of the regular or special meeting of the Board specifying the date, time and place of the meeting, shall be sent by the Secretary to each director by personal delivery (messenger), ordinary or express mail (courier), facsimile, **or electronic mail**.<br><br>The notice shall also include the following:<br><br>a. Inquiry on whether the director will attend physically or through video/teleconference;<br>b. Contact number/s of the Corporate Secretary and his or her office staff whom the director may call to notify and state whether he shall be physically present or shall attend through video/teleconference; and<br>c. Agenda of the meeting *(as amended on 26 July 2024)* |

| OPINION | VOTES CAST | PERCENTAGE |
|---|---|---|
| In favor | 3,108,104,218 | 100.00% |
| Against | 0 | 0.00% |
| Abstain | 0 | 0.00% |
| **Total** | **3,108,104,218** | **100.00%** |

As approved by the shareholders, the Chairman stated that the resolution is carried.

## 10. APPOINTMENT OF EXTERNAL AUDITOR

At this juncture, Mr. Ramon Pancratio D. Dizon informed the stockholders, that as the Chairman of the Audit Committee, the Audit Committee recommends the appointment of Isla Lipana & Co., the Philippine member firm of PwC global network as the Company's external auditor for the ensuing year.

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

"**RESOLVED**, as it is hereby resolved, that Isla Lipana & Co., the Philippine member firm of PwC global network ("PwC Philippines"), is hereby appointed external auditor of the Company for the ensuing year."

| **OPINION** | **VOTES CAST** | **PERCENTAGE** |
|---|---|---|
| In favor | 3,108,104,218 | 100.00% |
| Against | 0 | 0.00% |
| Abstain | 0 | 0.00% |
| **Total** | **3,108,104,218** | **100.00%** |

As approved by the shareholders, the Chairman states that the resolution is carried.

## 11. RATIFICATION OF THE GRANT OF EMPLOYEE STOCK OPTION SHARES TO DIRECTORS AND OFFICERS

The Chairman informed the stockholders that on January 31, 2023, the Company's Board of Directors approved the Employee Stock Option Plan ("ESOP"). The ESOP was approved by the stockholders owning at least two-thirds of the Company's outstanding capital stock at a meeting held on March 27, 2023. He explained that while the previous approval by the stockholders contained the grant of ESOP shares to directors and officers, the Company, in anticipation of regulatory requirements and good governance bring the grant of ESOP shares to directors and officers for the ratification of the stockholders. The express ratification will aid in easing the process of applications that will be filed by the Company with the SEC and PSE in relation to the ESOP.

The Corporate Secretary presented the following proposed resolution and its approval by the stockholders based on votes cast:

"**WHEREAS**, at a meeting of the Board of Directors held on January 31, 2023, the Company approved the Employee Stock Option Plan (the "Plan") whereby qualified employees, including officers, would be eligible to purchase shares of the Company for a price determined by the Compensation Committee;

**WHEREAS**, the Plan was presented to the stockholders during a special stockholders' meeting held on March 27, 2023, and was ratified, affirmed, and approved by at least 2/3rds of the stockholders present at the meeting;

**WHEREAS**, under the terms of the Plan, the definition of employees includes corporate officers; however, in anticipation of regulatory requirements, the Company deems it prudent to have a separate and distinct resolution for the grant of eligibility to corporate officers (including senior management), and to expand the eligibility of the Plan to directors;

**WHEREAS**, the Compensation Committee under the Plan, has been delegated the authority to amend the Plan and determine the grantees of the stock options, and has thus recommended the passing of a specific resolution allowing for the grant of options to the Company's directors and officers, including those holding senior management positions, as among those that are entitled to receive stock option grants.

**WHEREAS**, further to the recommendation of the Compensation Committee, the Board of Directors, at a meeting held on June 21, 2024, approved the passing of a distinct resolution declaring corporate officers (including those in senior management) and the directors as eligible grantees of the Plan.

**RESOLVED**, that the Stockholders hereby approve, ratify, and confirm the resolution of the Board of Directors granting directors and corporate officers, including senior management, eligibility to receive benefits under the Plan.

**RESOLVED FINALLY**, that the inclusion of corporate officers and directors as beneficiaries of the Plan is hereby affirmed in all respects, with the Company authorized to take any and all actions to implement and carry out foregoing."

| OPINION | VOTES CAST | PERCENTAGE |
|---|---|---|
| In favor | 3,050,156,318 | 98.14% |
| Against | 57,947,900 | 1.86% |
| Abstain | 0 | 0.00% |
| Total | **3,108,104,218** | 100.00% |

As approved by the shareholders, the Chairman stated that the resolution is carried.

## 12. QUESTION & ANSWER PORTION

The Chairman then moved on to the next item in the agenda which is the Question-and-Answer Portion. Ms. Celeste Jovenir read out the questions which was sent by the stockholders to ASM@digiplus.com.ph, and the Chairman addressed them as follows:

**Question No. 1:** How does the recent banning of POGO impact DigiPlus?

**Answer No. 1:** DigiPlus is not a POGO. We have developed an ecosystem of digital entertainment that provides enjoyable experiences to Filipinos---way beyond gaming.

As a publicly listed company, DigiPlus is held to the highest standards of corporate governance, transparency, and fairness. The strong growth of DigiPlus over the past year and the robust outlook for the industry have attracted more investors into the company, including reputable foreign and local institutional investors.

Despite a challenged local stock market, DigiPlus is one of the few local issues that have been performing very well.

This is a testament to the trust and confidence that the market has placed in the company.

As a leading player in the space, we are contributing to the country's economic growth and social development. Last year, DigiPlus paid 13.1 billion pesos in taxes to the Philippine government. We provide jobs to over 2,000 employees in different parts of the country. Ninety percent (90%) of which are Filipinos.

We have allocated 2 percent of our prior year's EBITDA to corporate social responsibility efforts, and this includes scholarships, medical missions, livelihood, disaster response, and online safety awareness.

For 2024, we raised our budget allocation for corporate social responsibility efforts under BingoPlus Foundation to over 100 million pesos.

In fact, we will be donating 8 million pesos to assist the recently affected communities and families of Typhoon Carina.

We are partnering with the Department of Social Welfare and Development towards the plan.

**Question No. 2**: What are the Company's strategic priorities over the next few years?

**Answer No. 2**: We are focused on delivering more enjoyable entertainment: more diversified offerings utilizing technology and innovation.

Our first strategy is to cement our leadership in digital gaming by launching new and innovative digital offerings to tap a broader segment of Filipinos.

Coupled with this, we are partnering up with various schools to teach financial literacy to the youth of the country.

To strengthen our competitive advantage, we continue to harness our platforms' live streaming capabilities to deliver a more interactive, immersive, and enjoyable experience to our users. Last year, we completed our flagship studios equipped with world-class live streaming facilities for our offerings.

Our strategy is to enhance user engagement and retention by leveraging on technology. We have a Big Data team that enables us to provide tailored and seamless experiences to our customer.

Finally, we are diversifying our offerings to other entertainment formats, such as reels, sports, news, music, and wellness to satisfy the needs of our users.

**Question No. 3**: How do you see the outlook for digital entertainment and digital gaming?

**Answer No. 3**: We are highly optimistic about the future of digital entertainment and digital gaming. The e-games sector is the fastest-growing segment in the Philippine gaming industry which contributed nearly half of the total industry revenues in the second quarter of the year.

Our established early-mover advantage, our strong user base across our digital platforms, and over 130 physical sites nationwide, provide a solid foundation for continued growth.

By focusing on expanding our leadership in digital entertainment, optimizing user engagement through personalized experiences, and diversifying our content offerings, we believe we are poised to dominate the flourishing digital entertainment industry.

**Question No. 4**: What are your plans for the Boracay property?

**Answer No. 4**: We are continually in discussion with various developers and hotel operators, but so far, nothing concrete has materialized.

**Question No. 5**: More online platforms have launched over the past months. What is your view on competition?

**Answer No. 5**: We welcome this healthy competition as it encourages operators to continuously strive for excellence and innovation and provides greater options for Filipinos.

Given the strong prospects for digital gaming and the enabling environment set up by the government, greater participation in the space is to be expected.

## 13. ADJOURNMENT

There being no other matters left to discuss, the Chairman, on behalf of the management and the Board of Directors of the Corporation expressed gratitude to those who participated in this year's annual meeting. Thereafter, the meeting was adjourned.

Certified correct:

**Atty. Carol V. Padilla**
*Corporate Secretary*

Attested by:

**Eusebio H. Tanco**
*Chairman of the Board*

**The following document has been received:**

**Receiving:** ICTD ERMD
**Receipt Date and Time:** April 07, 2025 08:00:00 AM

## Company Information

**SEC Registration No.:** 0000013174
**Company Name:** LEISURE & RESORTS WORLD CORP.
**Industry Classification:** D24220
**Company Type:** Stock Corporation

## Document Information

**Document ID:** OST10407202583146658
**Document Type:** Financial Statement
**Document Code:** FS
**Period Covered:** December 31, 2024
**Submission Type:** Consolidated
**Remarks:** None

Acceptance of this document is subject to review of forms and contents

digiplus

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **DigiPlus Interactive Corp. & Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free form material misstatement, whether due to fraud or error.

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

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders for the years ended December 31, 2024 and 2023, respectively, have audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

**EUSEBIO H. TANCO**
*Chairman of the Board*

**TSUI KIN MING**
*President*

**WILFREDO PIELAGO**
*Treasurer and Chief Financial Officer*

APR 04 2025

SUBSCRIBED AND SWORN to before me this ___ of ______ at TAGUIG CITY. Affiant exhibiting to me his/her P0992 946 B / KJ 64 244 971 with No. P2919 820 C as strong proof of his/her identity.

MICHAEL OLIVER B. MAATA
Notary Public for Taguig City
Until December 31, 2025
COMMISSION APPOINTMENT NO. 42 (2024-2025)
PTR No. A 6127855, 02 January 2024/Taguig City
IBP No. 388738, 02 January 2024/Makati City
Roll of Attorney No. 55919
Unit A 19F, Menarco Tower, 32nd Street
Bonifacio Global City, Taguig City
MCLE COMPLIANCE No. VII-0014743; 04/06/22

Signed this ______

Doc. No. 403
Page No. 83
Book No. II
Series of 2025

# C O V E R   S H E E T
for
## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

| 1 | 3 | 1 | 7 | 4 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|

**C O M P A N Y   N A M E**

D I G I P L U S   I N T E R A C T I V E   C O R P .   A N D
S U B S I D I A R I E S

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

E C O P R I M E   B U I L D I N G ,   3 2 N D   S T R E E T
C O R N E R   N I N T H   A V E N U E ,   B O N I F A C I O
G L O B A L   C I T Y ,   T A G U I G   C I T Y

| Form Type | Department requiring the report | Secondary License Type, If Applicable |
|---|---|---|
| A A F S | C R M D | N / A |

**C O M P A N Y   I N F O R M A T I O N**

| Company's Email Address | Company's Telephone Number | Mobile Number |
|---|---|---|
| inquiry@digiplus.com.ph | +632 8637-5291 to 93 | N/A |

| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
|---|---|---|
| 1,803 | July 26 | December 31 |

**CONTACT PERSON INFORMATION**

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

| Name of Contact Person | Email Address | Telephone Number/s | Mobile Number |
|---|---|---|---|
| Mr. Wilfredo Pielago | wilfredo.pielago@digiplus.com.ph | +632 8637-5291 to 93 | N/A |

**CONTACT PERSON's ADDRESS**

Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City

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

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

# Independent Auditor's Report

To the Board of Directors and Shareholders of
**DigiPlus Interactive Corp.**
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

## Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of DigiPlus Interactive Corp. (the "Parent Company") and its subsidiaries (together, the "Group") as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

*What we have audited*

The Group's financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

## Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

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.

**Our Audit Approach**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified is revenue recognition.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition**<br><br>Refer to Notes 15 and 28.24 to the consolidated financial statements.<br>Ascertaining completeness of the Group's retail games segment particularly on traditional bingo and electronic games, both online and onsite, requires significant audit attention primarily due to its material contribution to the Group's total consolidated revenue and the significant volume of traditional bingo and electronic gaming transactions that are processed either manually or through automated systems. | We addressed the matter through the following procedures:<br><br>• Obtained understanding of the Group's revenue recognition policies in accordance with PFRS 15, Revenue from Contracts with Customers, and the related business processes and information technology (IT) environment;<br>• With the assistance of our IT specialists, we evaluated the design and tested the operating effectiveness of the IT general controls over the relevant IT systems and the related automated and manual controls surrounding revenue recognition; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| These processes encompass, among others, controls on player registration, betting, reconciliation of player wallet balances, recording of gross gaming receipts, and payouts.<br><br>For the year ended December 31, 2024, total consolidated revenue from retail games amounted to P74.1 billion. | • Our procedures included the test of relevant controls surrounding completeness of revenue transactions including key reconciliation processes of both online and onsite games<br>• We tested the reliability of key system-generated reports and reconciliations of revenues recognized between systems used to transact revenue to the general ledger;<br>• We performed substantive audit procedures including reconciliation between reports submitted to regulatory agencies and recorded revenues and independent recalculation of gross gaming receipts; and<br>• We obtained sufficient coverage of confirmation replies from trade receivables to further ascertain completeness of gaming transactions. |

**Other Information**

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

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

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

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

When we read the SEC Form 20-IS (Definitive Information Statement), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**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 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, 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 PSA, 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 ability of the Group 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 purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pocholo C. Domondon.

**Isla Lipana & Co.**

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 4, 2025

**Statements Required by Rule 68**
**Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
**DigiPlus Interactive Corp.**
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited the consolidated financial statements of DigiPlus Interactive Corp. (the “Parent Company”) and its subsidiaries (together, the “Group”) as at and for the year ended December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, on which we have rendered the attached report dated April 4, 2025. The supplementary information shown in the Reconciliation of Parent Company’s Retained Earnings Available for Dividend Declaration, A Map Showing the Relationships between and among the Parent Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries and Associates, and Schedules A, B, C, D, E, F, and G, as required by the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with Revised SRC Rule 68.

**Isla Lipana & Co.**

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 4, 2025

pwc

## Statements Required by Rule 68
## Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
**DigiPlus Interactive Corp.**
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DigiPlus Interactive Corp. (the "Parent Company") and its subsidiaries (together, the “Group”) as at and for the year ended December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 4, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group’s management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group’s consolidated financial statements as at and for the year ended December 31, 2024 and no material exceptions were noted.

**Isla Lipana & Co.**

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 4, 2025

**DigiPlus Interactive Corp. and Subsidiaries**

**Consolidated Statements of Financial Position**
As at December 31, 2024 and 2023
(All amounts in thousands of Philippine Peso)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 2 | 13,977,434 | 4,264,238 |
| Receivables, net | 3,8 | 4,589,278 | 2,523,382 |
| Current portion of lease receivables | 18 | 69,557 | 66,967 |
| Due from related parties | 21 | 156,335 | 156,823 |
| Prepaid expenses and other current assets | 4 | 1,488,321 | 1,450,288 |
| Total current assets | | 20,280,925 | 8,461,698 |
| **Non-current assets** | | | |
| Receivables, net of current portion | 8 | 368,044 | 397,324 |
| Lease receivables, net of current portion | 18 | 107,512 | 126,513 |
| Investments and advances, net | 7 | 2,664,988 | 2,702,852 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 9 | 62,329 | 67,578 |
| Property and equipment, net | 5 | 5,290,596 | 3,519,336 |
| Investment properties | 6 | 11,217,011 | 11,074,870 |
| Intangible assets | 10 | 2,506,331 | 1,334,492 |
| Other non-current assets | 11 | 1,647,151 | 2,030,250 |
| Total non-current assets | | 23,863,962 | 21,253,215 |
| **Total assets** | | 44,144,887 | 29,714,913 |
| **Liabilities and Equity** | | | |
| **Current liabilities** | | | |
| Trade payables and other current liabilities | 12 | 8,605,797 | 6,163,163 |
| Short-term loans payable | 13 | - | 1,000 |
| Current portion of: | | | |
| Long-term loans payable | 13 | 733,781 | 1,017,384 |
| Lease liabilities | 18 | 476,217 | 275,294 |
| Income tax payable | | 1,436 | 1,114 |
| Total current liabilities | | 9,817,231 | 7,457,955 |
| **Non-current liabilities** | | | |
| Long-term loans payable, net of current portion | 13 | - | 869,423 |
| Lease liabilities, net of current portion | 18 | 1,294,632 | 799,071 |
| Retirement benefits liability | 19 | 127,685 | 69,841 |
| Customer deposits, net of current portion | 12 | 82,296 | 80,267 |
| Deferred tax liabilities | 22 | 1,543,297 | 1,512,706 |
| Total non-current liabilities | | 3,047,910 | 3,331,308 |
| **Total liabilities** | | 12,865,141 | 10,789,263 |
| **Equity** | | | |
| Capital stock | 14 | 4,785,307 | 4,785,307 |
| Additional paid-in capital | 14 | 6,245,301 | 6,245,301 |
| Treasury shares | 14 | (431,598) | (431,598) |
| Retirement benefits reserve | 19 | (31,242) | 12,907 |
| Fair value reserve | 7,9 | 483,651 | 488,900 |
| Foreign currency translation reserve | | (47,935) | (2,100) |
| Other reserve | | 896,928 | 239,681 |
| Retained earnings | | | |
| Unappropriated | | 11,889,253 | 7,404,748 |
| Appropriated | | 7,300,000 | - |
| **Equity attributable to equity holders of the Parent Company** | | 31,089,665 | 18,743,146 |
| **Non-controlling interests** | | 190,081 | 182,504 |
| Total equity | | 31,279,746 | 18,925,650 |
| **Total liabilities and equity** | | 44,144,887 | 29,714,913 |

(The notes on pages 1 to 78 are integral part of these financial statements)

**DigiPlus Interactive Corp. and Subsidiaries**

**Consolidated Statements of Total Comprehensive Income**
For each of the three years in the period ended December 31, 2024
(All amounts in thousands of Philippine Peso)

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| **Revenues** | | | | |
| Retail games | 15 | 74,106,611 | 26,368,576 | 8,126,122 |
| Rental income | 18 | 552,947 | 475,937 | 385,225 |
| Service and hosting fees | 16 | 407,044 | 340,592 | 351,793 |
| Commission income | | 149,707 | 62,235 | 37,558 |
| Revenue from sub-lease | 18 | 6,839 | 3,711 | 4,892 |
| | | 75,223,148 | 27,251,051 | 8,905,590 |
| **Cost and operating expenses** | 17 | (62,354,302) | (22,966,906) | (8,274,291) |
| **Operating profit** | | 12,868,846 | 4,284,145 | 631,299 |
| **Other expenses and losses, net** | | | | |
| Finance expense | 20 | (177,164) | (197,263) | (376,705) |
| Unrealized gain on changes in fair values of investment properties, net | 6 | 142,141 | 131,817 | 297,772 |
| Finance income | 20 | 124,241 | 53,248 | 264,631 |
| Impairment loss on: | | | | |
| Financial assets | 3 | (71,569) | (96,745) | (118,515) |
| Non-financial assets | 4,7 | (16,752) | (55,723) | (8,655) |
| Equity in net loss of joint venture | 7 | (46,374) | (30,670) | (48,058) |
| Foreign exchange loss, net | 26.4 | (155,107) | (3,336) | (126,390) |
| Provision for probable losses | 12 | 6,639 | (3,000) | (18,803) |
| (Loss) Gain on disposal of property and equipment, net | 5 | (4) | - | 48 |
| Other (expense) income, net | 20 | (44,282) | 96,765 | 29,026 |
| | | (238,231) | (104,907) | (105,697) |
| **Income before income tax** | | 12,630,615 | 4,179,238 | 525,650 |
| Income tax (expense) benefit | 22 | (46,509) | (84,385) | 161,207 |
| **Net income for the year** | | 12,584,106 | 4,094,853 | 686,857 |
| **Other comprehensive (loss) income, net** | | | | |
| **Items that will not be reclassified to profit or loss** | | | | |
| Remeasurement loss on retirement benefits, net of tax | 18 | (44,149) | (7,595) | (3,742) |
| Revaluation (loss) gain FVOCI | 9 | (5,249) | (10,935) | 552,381 |
| | | (49,398) | (18,530) | 548,639 |
| **Total comprehensive income for the year** | | 12,534,708 | 4,076,323 | 1,235,496 |
| **Net income for the year attributable to:** | | | | |
| Equity holders of the Parent Company | | 12,577,884 | 4,077,734 | 600,705 |
| Non-controlling interests | | 6,222 | 17,119 | 86,152 |
| | | 12,584,106 | 4,094,853 | 686,857 |
| **Total comprehensive income attributable to:** | | | | |
| Equity holders of the Parent Company | | 12,528,486 | 4,059,204 | 1,149,344 |
| Non-controlling interests | | 6,222 | 17,119 | 86,152 |
| | | 12,534,708 | 4,076,323 | 1,235,496 |
| **Earnings per share** | 14 | | | |
| Basic | | 2.8536 | 1.0390 | 0.2034 |
| Diluted | | 2.7386 | 1.0390 | 0.2034 |

(The notes on pages 1 to 78 are integral part of these financial statements)

## DigiPlus Interactive Corp. and Subsidiaries

## Consolidated Statements of Changes in Equity

For each of the three years in the period ended December 31, 2024
(All amounts in thousands of Philippine Peso)

| | Capital stock (Note 14) | | Additional paid in capital | Treasury shares | Retirement benefits reserve | Fair value reserve | Foreign currency translation | Other reserve | Retained earnings | | Total equity attributable | Non-controlling | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Common | Preferred | (Note 14) | (Note 14) | (Note 19) | (Notes 7 and 9) | reserve | (Note 28.3) | Unappropriated | Appropriated | to Parent | interest | equity |
| **Balances at January 1, 2022** | 2,444,107 | 1,650,000 | 4,276,691 | (1,703,951) | 24,244 | (52,546) | (2,100) | (19,488) | 2,726,309 | - | 9,343,266 | 341,303 | 9,684,569 |
| **Comprehensive income for the year** | | | | | | | | | | | | | |
| Net income for the year | - | - | - | - | - | - | - | - | 600,705 | - | 600,705 | 86,152 | 686,857 |
| Other comprehensive income for the year | - | - | - | - | (3,742) | 552,381 | - | - | - | - | 548,639 | - | 548,639 |
| **Total comprehensive income for the year** | - | - | - | - | (3,742) | 552,381 | - | - | 600,705 | - | 1,149,344 | 86,152 | 1,235,496 |
| **Transactions with owner** | | | | | | | | | | | | | |
| Conversion of preferred stock to common stock | 1,650,000 | (1,650,000) | - | - | - | - | - | - | - | - | - | - | - |
| Issuance of treasury shares | - | - | 814,306 | 1,272,353 | - | - | - | - | - | - | 2,086,659 | - | 2,086,659 |
| **Balances at December 31, 2022** | 4,094,107 | - | 5,090,997 | (431,598) | 20,502 | 499,835 | (2,100) | (19,488) | 3,327,014 | - | 12,579,269 | 427,455 | 13,006,724 |
| **Comprehensive income for the year** | | | | | | | | | | | | | |
| Net income for the year | - | - | - | - | - | - | - | - | 4,077,734 | - | 4,077,734 | 17,119 | 4,094,853 |
| Other comprehensive income for the year | - | - | - | - | (7,595) | (10,935) | - | - | - | - | (18,530) | - | (18,530) |
| **Total comprehensive income for the year** | - | - | - | - | (7,595) | (10,935) | - | - | 4,077,734 | - | 4,059,204 | 17,119 | 4,076,323 |
| **Transactions with owners** | | | | | | | | | | | | | |
| Issuance of common shares | 691,200 | - | 1,154,304 | - | - | - | - | - | - | - | 1,845,504 | - | 1,845,504 |
| Acquisition of minority interest | - | - | - | - | - | - | - | 259,169 | - | - | 259,169 | (262,070) | (2,901) |
| **Balances at December 31, 2023** | 4,785,307 | - | 6,245,301 | (431,598) | 12,907 | 488,900 | (2,100) | 239,681 | 7,404,748 | - | 18,743,146 | 182,504 | 18,925,650 |
| **Comprehensive income for the year** | | | | | | | | | | | | | |
| Net income for the year | - | - | - | - | - | - | - | - | 12,577,884 | - | 12,577,884 | 6,222 | 12,584,106 |
| Other comprehensive loss for the year | - | - | - | - | (44,149) | (5,249) | - | - | - | - | (49,398) | - | (49,398) |
| **Total comprehensive income for the year** | - | - | - | - | (44,149) | (5,249) | - | - | 12,577,884 | - | 12,528,486 | 6,222 | 12,534,708 |
| **Transactions with owners** | | | | | | | | | | | | | |
| Cash dividends | - | - | - | - | - | - | - | - | (793,379) | - | (793,379) | - | (793,379) |
| Stock option reserves during the year | - | - | - | - | - | - | - | 778,271 | - | - | 778,271 | - | 778,271 |
| Translation adjustment | - | - | - | - | - | - | (45,835) | - | - | - | (45,835) | - | (45,835) |
| Appropriation of retained earnings | - | - | - | - | - | - | - | - | (7,300,000) | 7,300,000 | - | - | - |
| Acquisition of minority interest | - | - | - | - | - | - | - | (121,024) | - | - | (121,024) | 1,355 | (119,669) |
| **Balances at December 31, 2024** | 4,785,307 | - | 6,245,301 | (431,598) | (31,242) | 483,651 | (47,935) | 896,928 | 11,889,253 | 7,300,000 | 31,089,665 | 190,081 | 31,279,746 |

(The notes on pages 1 to 78 are integral part of these financial statements)

**DigiPlus Interactive Corp. and Subsidiaries**

**Consolidated Statements of Cash Flows**
For each of the three years in the period ended December 31, 2024
(All amounts in thousands of Philippine Peso)

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Income before income tax | | 12,630,615 | 4,179,238 | 525,650 |
| Adjustments for: | | | | |
| Depreciation and amortization | 5,11,17 | 1,069,601 | 493,432 | 375,827 |
| Reserve for employee stock options | 14 | 778,271 | - | - |
| Finance expense | 20 | 177,164 | 197,263 | 376,705 |
| Unrealized gain on changes in fair values of investment properties | 6 | (142,141) | (131,817) | (297,772) |
| Finance income | 20 | (124,241) | (53,248) | (264,631) |
| Unrealized foreign exchange (gain) loss, net | 26.4 | 31,397 | (8,611) | 118,850 |
| Loss on impairment of financial asset | 3 | 71,569 | 96,745 | 118,515 |
| Equity in net loss of joint venture and associates | 7 | 46,374 | 30,670 | 48,058 |
| Loss on impairment of nonfinancial assets | 4,7 | 16,752 | 55,723 | 8,655 |
| Retirement expense (income) | 19 | 14,087 | 9,169 | (81,333) |
| Gain on reversal of liabilities | 20 | - | (118,894) | (42,940) |
| Provision for probable losses | 12 | - | 3,000 | 18,803 |
| Loss on disposal of property and equipment | 5, 20 | 4 | - | 48 |
| Operating income before working capital changes | | 14,569,452 | 4,752,670 | 904,435 |
| Decrease (increase) in: | | | | |
| Receivables | | (2,112,360) | (1,481,484) | (210,162) |
| Prepaid expenses and other current assets | | (54,785) | (1,035,330) | (333,748) |
| Increase (decrease) in: | | | | |
| Trade payables and other current liabilities | | 2,624,996 | 3,960,763 | 791,352 |
| Customer deposits | | 2,029 | (1,249) | (10,287) |
| Net cash generated from operations | | 15,029,332 | 6,195,370 | 1,141,590 |
| Income taxes paid | | (15,596) | (15,091) | (10,985) |
| Benefits paid | 19 | (392) | - | (1,601) |
| Interest received | | 119,061 | 22,672 | 2,769 |
| Net cash provided by operating activities | | 15,132,405 | 6,202,951 | 1,131,773 |
| **Cash flows from investing activities** | | | | |
| Additions to: | | | | |
| Property and equipment and intangible assets | 5, 10 | (1,614,697) | (2,111,161) | (133,239) |
| Other noncurrent assets | | (875,073) | (956,028) | (13,630) |
| Investment properties | 8 | - | (500) | - |
| Decrease (increase) in investments and advances | 7 | (54,345) | 7,174 | (66,619) |
| Net cash used in investing activities | | (2,544,115) | (3,060,515) | (213,488) |
| **Cash flows from financing activities** | | | | |
| Proceeds from loans payable | 13 | 15,000 | 1,760,423 | - |
| Issuance of capital stock and treasury shares | 14 | - | 1,845,504 | 1,765,409 |
| Finance lease | 18 | 26,254 | 20,684 | 26,373 |
| Payments for: | | | | |
| Loans payable | 13 | (1,216,000) | (3,141,739) | (1,312,880) |
| Lease liabilities | 18 | (522,791) | (438,991) | (241,807) |
| Interest | | (234,386) | (117,401) | (215,822) |
| Dividends | 14 | (801,850) | (160,074) | - |
| Acquisition of additional stake in a subsidiary | 28.3 | (119,669) | (2,900) | - |
| Net cash (used in) provided by financing activities | | (2,853,442) | (234,494) | 21,273 |
| Net increase in cash and cash equivalents | | 9,734,848 | 2,907,942 | 939,558 |
| Effect of exchange rate changes on cash and cash equivalents | | (21,652) | (185) | 399 |
| Cash and cash equivalents at beginning of year | | 4,264,238 | 1,356,481 | 416,524 |
| Cash and cash equivalents at end of year | 2 | 13,977,434 | 4,264,238 | 1,356,481 |

(The notes on pages 1 to 78 are integral part of these financial statements)

(In the notes, all amounts are shown in thousands of Philippine Peso unless otherwise stated)

## 1. General information

DigiPlus Interactive Corp. (the "Parent Company" or "DigiPlus") was registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1957. The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (collectively referred to as the "Group" and individually as "Group entities") and the Group's interest in joint venture and associates.

The Parent Company is a public company under Section 17.2 of the Revised Securities Regulation Code (SRC) and its shares are listed on the Philippine Stock Exchange, Inc. (PSE).

The Parent Company's primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as, but not limited to resorts, golf courses, clubhouses and sport facilities, hotels and gaming facilities, including but not limited to bingo parlors with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

On February 28, 2023, the SEC approved the change of the corporate name of the Parent Company from "Leisure & Resorts World Corporation" to "DigiPlus Interactive Corp." In view of the foregoing, in March 2023, the Company changed its Stock Symbol from "LR" to "PLUS".

In addition, the SEC approved the Parent Company's change of business address from Pasig City to Taguig City. The Group's registered office address is Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

The accompanying consolidated financial statements as at and for the year ended December 31, 2024, have been approved and authorized for issuance by the Parent Company's Board of Directors (BOD) on April 4, 2025.

## 2. Cash and cash equivalents

Cash and cash equivalents as at December 31 consist of:

| | 2024 | 2023 |
|---|---|---|
| Cash in banks | 7,277,551 | 2,838,590 |
| Cash equivalents | 6,286,418 | 1,323,456 |
| Cash on hand and payout fund | 413,465 | 102,192 |
| | 13,977,434 | 4,264,238 |

Cash in banks earn interest at the respective bank deposit rates.

Cash equivalents include digital wallets and short-term placements. Digital wallets represent balances held by the Company to enable immediate access to funds for player withdrawals. Short term placements are made for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term deposit rates.

Interest income earned from cash in banks and cash equivalents in 2024 amounted to P93,678 (2023 - P22,672; 2022 - P2,769) (Note 20).

Payout fund pertains to the cash held by the cashier which is intended to pay for the prizes of the winners of each traditional bingo game. This is replenished on a daily basis.

## 3. Receivables, net

Receivables, net as at December 31 consist of:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Trade receivables | | 4,569,120 | 2,799,410 |
| Less: Allowance for expected credit loss (ECL) on trade receivables | | (581,182) | (509,613) |
| | | 3,987,938 | 2,289,797 |
| Advances to third parties | | 97,500 | 97,500 |
| Less: Allowance for ECL on advances to third parties | | (97,500) | (97,500) |
| | | - | - |
| Advances to a stockholder | 21 | 53,106 | 53,106 |
| Current portion of: | | | |
| Receivable from Total Consolidated Asset Management, Inc. (TCAMI) | 8 | 50,000 | 50,000 |
| Advances to Binondo Leisure Resources, Inc. (BLRI) | 7 | 18,000 | 18,000 |
| Marketing support fund | | 27,373 | 27,373 |
| Others | | 533,133 | 165,378 |
| | | 681,612 | 313,857 |
| Less: Allowance for ECL on other receivables | | (80,272) | (80,272) |
| | | 601,340 | 233,585 |
| | | 4,589,278 | 2,523,382 |

Trade receivables

Trade receivables are unsecured, unguaranteed, noninterest-bearing and collectible within 30 days.

Advances to third parties

Advances to third parties consist mainly of advance payments for a future project reimbursable from the project partner. These advances are noninterest-bearing, unsecured, unguaranteed, and collectible on demand.

Advances to stockholders

Advances to stockholders are unsecured, unguaranteed, noninterest-bearing advances and collectible on demand.

Receivable from TCAMI

This is the current portion of the receivable from TCAMI related to the sale of the Group's 50% shares in TechZone Philippines, Inc. (Note 8).

Advance to BLRI

These are cash advance to BLRI for the purpose of renovation and fittings of the building that it leases from AB Leisure Global Inc. (ABLGI).

Marketing support fund

Marketing support fund pertains to the reimbursable advances made by the Group for the promotional activities relating to e-bingo machine and e-games platform provider.

Others

Other receivables also include cash advances made to companies which are engaged in similar gaming and amusement activities of the Group. Receivables from these companies represent noninterest-bearing, unsecured and unguaranteed advances for working capital purposes that are due within one year.

The movements in allowance for ECL for the years ended December 31 are as follows:

| | Trade receivables | Advances to third parties | Other receivables | Total |
|---|---|---|---|---|
| As at January 1, 2023 | 419,044 | 97,500 | 74,096 | 590,640 |
| Provision for impairment | 90,569 | - | 6,176 | 96,745 |
| As at December 31, 2023 | 509,613 | 97,500 | 80,272 | 687,385 |
| Provision for impairment | 71,569 | - | - | 71,569 |
| As at December 31, 2024 | 581,182 | 97,500 | 80,272 | 758,954 |

In 2024, the Group recognized provision for impairment of receivables amounting to P71,569 (2023 - P96,745; 2022 - P118,515).

## 4. Prepaid expenses and other current assets

Prepaid expenses and other current assets as at December 31 consist of:

| | 2024 | 2023 |
|---|---|---|
| Prepaid expenses | 1,154,290 | 1,221,528 |
| Advances to contractors and suppliers | 233,576 | 111,349 |
| Advances to employees | 42,464 | 68,346 |
| CWT | 14,343 | 21,055 |
| Others | 3,337 | 5,231 |
| Input VAT - net | 55,076 | 37,041 |
| Less: Allowance for impairment of input VAT | (14,765) | (14,262) |
| | 40,311 | 22,779 |
| Balance at end of year | 1,488,321 | 1,450,288 |

Prepaid expenses consist of advance payments for taxes, rent, insurance on property and equipment, health care benefits of employees, consultancy and professional services.

Advances to contractors and suppliers are down payment to vendors that will be applied against future deliveries of goods and performance of services.

Advances to officers and employees are noninterest-bearing, unsecured and subject to liquidation within 12 months from the date granted or collectible in cash upon demand.

The movements in allowance for impairment of input VAT are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at beginning of year | 14,262 | 216,453 |
| Provisions | 503 | 23,034 |
| Write off | - | (225,225) |
| Balance at end of year | 14,765 | 14,262 |

In 2024, the Group had not written off any unrecoverable input VAT (2023 - P225,225; 2022 - P23,819).

## 5. Property and equipment, net

Property and equipment, net as at December 31 consist of:

| | Land | Leasehold improvements | Transportation equipment (Note 13) | Gaming equipment | Office, furniture, fixtures and equipment | Network equipment | Building | Construction-in-progress | Right-of-use assets (Note 18) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| At December 31, 2022 | | | | | | | | | | |
| Cost | 814 | 1,416,681 | 285,169 | 932,872 | 860,693 | 348,951 | 7,147 | - | 1,017,753 | 4,870,080 |
| Accumulated depreciation and amortization | - | (1,362,254) | (230,939) | (562,458) | (764,868) | (272,302) | (6,503) | - | (597,692) | (3,797,016) |
| Net carrying value | 814 | 54,427 | 54,230 | 370,414 | 95,825 | 76,649 | 644 | - | 420,061 | 1,073,064 |
| **For the year ended December 31, 2023** | | | | | | | | | | |
| Opening net carrying value | 814 | 54,427 | 54,230 | 370,414 | 95,825 | 76,649 | 644 | - | 420,061 | 1,073,064 |
| Additions | - | 111,711 | 2,101 | 1,046,096 | 221,077 | 345 | - | 726,764 | 827,318 | 2,935,412 |
| Disposals | | | | | | | | | | |
| Cost | - | - | - | - | - | - | - | - | (332,929) | (332,929) |
| Accumulated depreciation and amortization | - | - | - | - | - | - | - | - | 332,929 | 332,929 |
| Depreciation and amortization | - | (15,910) | (11,957) | (112,052) | (34,968) | (18,071) | (212) | - | (295,970) | (489,140) |
| Closing net carrying value | 814 | 150,228 | 44,374 | 1,304,458 | 281,934 | 58,923 | 432 | 726,764 | 951,409 | 3,519,336 |
| **At December 31, 2023** | | | | | | | | | | |
| Cost | 814 | 1,528,392 | 287,270 | 1,978,968 | 1,081,770 | 349,296 | 7,147 | 726,764 | 1,512,142 | 7,472,563 |
| Accumulated depreciation and amortization | - | (1,378,164) | (242,896) | (674,510) | (799,836) | (290,373) | (6,715) | - | (560,733) | (3,953,227) |
| Net carrying value | 814 | 150,228 | 44,374 | 1,304,458 | 281,934 | 58,923 | 432 | 726,764 | 951,409 | 3,519,336 |
| **For the year ended December 31, 2024** | | | | | | | | | | |
| Opening net carrying value | 814 | 150,228 | 44,374 | 1,304,458 | 281,934 | 58,923 | 432 | 726,764 | 951,409 | 3,519,336 |
| Additions | - | 872,288 | 15,455 | 219,658 | 248,835 | 6,498 | 104,831 | 124,252 | 1,124,258 | 2,716,075 |
| Disposals | | | | | | | | | | |
| Cost | - | - | - | - | (177) | - | - | - | (376,053) | (376,230) |
| Accumulated depreciation and amortization | - | - | - | - | 173 | - | - | - | 366,489 | 366,662 |
| Depreciation and amortization | - | (158,745) | (12,974) | (215,441) | (75,280) | (17,975) | (2,456) | - | (452,376) | (935,247) |
| Closing net carrying value | 814 | 863,771 | 46,855 | 1,308,675 | 455,485 | 47,446 | 102,807 | 851,016 | 1,613,727 | 5,290,596 |
| **At December 31, 2024** | | | | | | | | | | |
| Cost | 814 | 2,400,680 | 302,725 | 2,198,626 | 1,330,428 | 355,794 | 111,978 | 851,016 | 2,260,347 | 9,812,408 |
| Accumulated depreciation and amortization | - | (1,536,909) | (255,870) | (889,951) | (874,943) | (308,348) | (9,171) | - | (646,620) | (4,521,812) |
| Net carrying value | 814 | 863,771 | 46,855 | 1,308,675 | 455,485 | 47,446 | 102,807 | 851,016 | 1,613,727 | 5,290,596 |

In 2024, the Group disposed certain items of office equipment and recognized a loss amounting to P4 (2023 - nil; 2022 - P48). This is presented as part of the loss on disposal of property and equipment in the consolidated statements of total comprehensive income.

As at December 31, 2024 and 2023, there are no unpaid property and equipment additions.

## 6. Investment properties

Investment properties as at December 31 consist of:

| | Land | Land improvements | Building | Total |
|---|---|---|---|---|
| January 1, 2023 | 10,703,295 | 12,798 | 226,460 | 10,942,553 |
| Additions | 500 | - | - | 500 |
| Unrealized gains (loss) on changes in fair values | 134,801 | (686) | (2,298) | 131,817 |
| December 31, 2023 | 10,838,596 | 12,112 | 224,162 | 11,074,870 |
| Unrealized gains (loss) on changes in fair values | 146,458 | (632) | (3,685) | 142,141 |
| December 31, 2024 | 10,985,054 | 11,480 | 220,477 | 11,217,011 |

The following table provides the fair value hierarchy of the Group's investment properties as at December 31:

| | Fair value hierarchy | 2024 | 2023 | Valuation technique | Unobservable inputs | Cost per unobservable inputs* | Relationship of unobservable inputs to fair value |
|---|---|---|---|---|---|---|---|
| Land | | | | | | | |
| Boracay | Level 3 | 9,048,420 | 8,941,968 | Market comparison approach | Price per square meter | P30,000 to P50,000 per square meter | The higher the cost per square meter, the higher the fair value. |
| Cagayan | Level 3 | 1,936,634 | 1,896,628 | | | P450 to P5,800 per square meter | |
| | | 10,985,054 | 10,838,596 | | | | |
| Building | Level 3 | 220,477 | 224,162 | Income approach | Market rental data | P89,000 to P1,165,000 rental rate per month | The higher the market rental rate, the higher the fair value. |
| | | | | | Discount rate | 11.0127% | The higher the rate, the lower the fair value. |
| Land improvements | Level 3 | 11,480 | 12,112 | Cost approach | Replacement Cost | P1,200 to 12,000 per square meter | The higher the cost per square meter, the higher the fair value. |
| | | | | | Depreciation rate | 36.67% | The higher depreciation rate, the lower the fair value. |
| | | 11,217,011 | 11,074,870 | | | | |

**The amounts in the table above are in absolute values and not in thousands of pesos.*

The Group's investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser.

*Valuation techniques and significant unobservable inputs.*

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year.

The main level 3 inputs used by the group are derived and evaluated as follows:

- Land - The fair values of the investment properties were arrived at using the market comparison approach for land in Cagayan and in Boracay.
- Land improvements and building - The fair value of the building in Sta. Cruz, Manila is valued using income approach and cost approach was used for the rest of the land improvements and buildir

Market approach is an approach that considers the value of the land based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity of the subject property. The appraiser's comparison was premised on the factors of location, size and shape of the lot, time element, and others.

Income approach is an approach that provides an indication of value by converting future cash flow to a single current value. Under this approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by asset.

Cost approach is an approach that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is an equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. The appraiser particularly used the reproduction cost (new) less depreciation. In the context of the valuation, the depreciation refers to the adjustments made to the cost of reproducing or replacing the asset to reflect physical deterioration and functional, and economic obsolescence in order to estimate the value of the asset in a hypothetical exchange in the market when there is no direct sales evidence available.

Amounts recognized in the consolidated statements of total comprehensive income for investment properties for the years ended December 31 are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Rental income from operating leases | 45,523 | 39,458 | 43,974 |
| Direct operating expenses that generated rental income | 31,656 | 23,773 | 24,394 |
| Direct operating expenses from property that did not generate rental income | 46,750 | 8,909 | 7,887 |
| Fair value gain | 142,141 | 131,817 | 297,772 |
| Deferred tax expense | 28,221 | 28,063 | 34,979 |

Rental income from investment properties is included under "Rent income" account in profit or loss. Direct costs attributable to rental income on investment properties arises from amortization, repairs and maintenance, real property tax and rent expense.

### 7. Investments and advances, net

Investments and advances, net as at December 31 consist of:

| | Ref | 2024 | 2023 |
|---|---|---|---|
| Investment in associates and a joint venture, net | a | 1,445,258 | 1,491,632 |
| Advances, net | b | 1,219,730 | 1,211,220 |
| | | 2,664,988 | 2,702,852 |

*a. Investments in associates and a joint venture*

Investments in associates and joint venture as at December 31 is composed of:

| | 2024 | 2023 |
|---|---|---|
| Investment in a joint venture | 1,445,258 | 1,491,632 |
| Investment in associates | 21,400 | 21,400 |
| | 1,466,658 | 1,513,032 |
| Less: Allowance for impairment | (21,400) | (21,400) |
| | 1,445,258 | 1,491,632 |

*Investment in a joint venture*

*Hotel Enterprises of the Philippines, Inc. (HEPI)*

HEPI is a 51%-owned joint venture between DigiPlus and Eco Leisure. HEPI is engaged in the hotel and recreation business. The management, supervision and control of the operations, property and affairs of HEPI are vested in its BOD which consists of three (3) directors each from DigiPlus and Eco Leisure, and one (1) independent director nominated by both parties. Any decision is subject for approval of DigiPlus and Eco Leisure, and each party cannot direct decision on their own.

On March 10, 2016, the Amended Articles of Incorporation of HEPI amending Article II Primary Purpose, Article IV extending the term of the corporate existence of HEPI to another fifty (50) years from July 30, 2012.

There are no commitments and contingent liabilities recognized or expected to be recognized as at and for the years ended December 31, 2024, and 2023. HEPI's shares of stock are not quoted in an active market.

HEPI's principal place of business is at 2702 Roxas Boulevard, Pasay City.

Set out below is the summarized financial information of HEPI as at December 31, which, at the opinion of the management is material to the Company.

*Summarized statements of financial position*

| | 2024 | 2023 |
|---|---|---|
| Current assets | 921,366 | 846,742 |
| Includes: | | |
| - Cash | 18,778 | 6,574 |
| Noncurrent assets | 4,137,895 | 4,201,571 |
| Current liabilities | (1,463,683) | (1,307,173) |
| Includes: | | |
| - Financial liabilities | (1,446,336) | (1,298,305) |
| Noncurrent liabilities | (761,740) | (816,372) |
| Net assets | 2,833,838 | 2,924,768 |

*Summarized statements of total comprehensive income*

| | 2024 | 2023 |
|---|---|---|
| Revenues | 390,334 | 382,356 |
| Costs and expenses | (420,295) | (408,095) |
| Depreciation and amortization | (112,864) | (103,413) |
| Other income, net | 4,383 | 44,461 |
| Income tax expense | 47,512 | 24,554 |
| Loss for the year | (90,930) | (60,137) |
| Other comprehensive income for the year | - | - |
| Total comprehensive loss for the year | (90,930) | (60,137) |

*Reconciliation of summarized financial information*

| | 2024 | 2023 |
|---|---|---|
| Net assets | | |
| At January 1 | 2,924,768 | 2,984,905 |
| Loss for the year | (90,930) | (60,137) |
| Other comprehensive income | - | - |
| At December 31 | 2,833,838 | 2,924,768 |
| | | |
| Group's share in % | 51% | 51% |
| Group share at January 1 | 1,491,632 | 1,522,302 |
| Share in net loss for the year | (46,374) | (30,670) |
| Share in other comprehensive income for the year | - | - |
| Investment in joint venture | 1,445,258 | 1,491,632 |

There were no dividends received for the years ended December 31, 2024, 2023 and 2022.

In 2022, the Group changed its accounting policy for the subsequent measurement of the land presented as part of property and equipment in the statements of financial position from historical cost to fair value. As a result, in 2022, the Group recognized its share in other comprehensive income resulting from the changes in fair value of the land presented in HEPI's financial statements as part of property and equipment amounting to P527,450. HEPI did not recognize any other comprehensive income or loss in 2024 and 2023.

*Investment in associates*

*BLRI*

BLRI is a 30%-owned associate of the Parent Company. BLRI was incorporated in the Philippines and is engaged in the hotel and recreation business. It started commercial operations in August 2003. BLRI is a company engaged in the business of leasing its gaming facilities to PAGCOR and its store and hotel facility to third parties.

The Group recognized its share in net loss of BLRI up to the extent of investment cost. Unrecognized accumulated equity in net loss of BLRI amounted to P12,272 as at December 31, 2024 (2023 - P16,652; 2022 - P20,621). Unrecognized share in net income amounted to P4,380 and P4,079 in 2024 and 2023, respectively. The Group also recognized an allowance for the full amount of its investment in BLRI amounting to P21,400 as at December 31, 2024 and 2023.

*Insular*

Insular is a 40%-owned associate of ABLE. Insular was incorporated in the Philippines and is engaged in providing amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

In 2021, the Group recognized an allowance on the investment for the full amount of its investment in Insular amounting to P200.

*b. Advances*

Advances as at December 31 consist of:

| | 2024 | 2023 |
|---|---|---|
| Advances to related parties | | |
| HEPI | 118,918 | 118,918 |
| BLRI, net of current portion | 40,067 | 58,159 |
| Advances to third parties | 1,244,296 | 1,217,694 |
| | 1,403,281 | 1,394,771 |
| Less: Allowance for impairment | (183,551) | (183,551) |
| | 1,219,730 | 1,211,220 |
| Advances for projects | 259,511 | 259,511 |
| Less: Allowance for impairment | (259,511) | (259,511) |
| | - | - |
| | 1,219,730 | 1,211,220 |

*Advances to HEPI and BLRI*

Advances to HEPI and BLRI pertain to cash advances made by the Group for working capital requirements.

In 2018, the Group, through its subsidiary, ABLE, and BLRI entered into a memorandum of agreement for the payment of latter's advances. The agreements provide for, among others, the commitment of BLRI to pay annually an amount of P18,000 from all rental payments received in a year, until the balance of the advances have been paid off.

Details and movements of the advances to BLRI for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| January 1 | 76,159 | 87,127 |
| Additional advances | 9,908 | 8,032 |
| Collections during the year | (28,000) | (19,000) |
| At December 31 | 58,067 | 76,159 |
| Less: Current portion | (18,000) | (18,000) |
| Non-current portion | 40,067 | 58,159 |

*Advances to third parties*

This account mainly pertains to the noninterest-bearing advances made by LRLDI to CPVDC and CLPDC to finance the construction and development of the Cagayan Special Economic Zone and Freeport (CSEZFP) Airport in Cagayan. This also includes cash advances to a third party for the purpose of securing leased premises for the operation of a VIP Club by PAGCOR and advance payments for parcels of land wherein the Group is in the process of acquiring. The advances are unsecured and noninterest-bearing.

For the year ended December 31, 2024, the Group has not recognized any additional provision for impairment of advances to third parties (2023 - P32,689 and 2022 - nil).

## 8. Receivables, net of current portion

*Receivable from TCAMI*

On November 4, 2019, LRLDI entered in a Deed of Absolute Sale with TCAMI for the sale of the LRLDI's 50% share in TechZone Philippines, Inc. for a total consideration of P1,750,000 of which P1,000,000 was paid in cash while the remaining balance of P750,000 is payable in 10 years with no interest. This transaction resulted in the derecognition of the Group's investment in TechZone and recognition of loss on sale of an investment amounting to P741,480 in the 2019 consolidated statement of total comprehensive income.

In 2019, the receivable from TCAMI of P700,000, net of current portion amounting P50,000, was discounted using risk free rate of 4.63% (Note 3).

The receivable from TCAMI presented in the statements of financial position, including the future value of the receivable as at December 31 are as follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Current | 3 | 50,000 | 50,000 |
| Non-current | | 368,044 | 397,324 |
| | | 418,044 | 447,324 |
| Future interest accretion | | 81,956 | 102,676 |
| | | 500,000 | 550,000 |

Details and movements of the receivable for the years ended December 31 are as follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| January 1 | | 447,324 | 478,259 |
| Interest accretion | 20 | 20,720 | 23,954 |
| Collections during the year | | (50,000) | (54,889) |
| At December 31 | | 418,044 | 447,324 |

## 9. Financial assets at FVOCI

In 2014, the Parent Company acquired 1,093,000 shares of DFNN, Inc. (DFNN) at a cost of P7,437.

On August 13, 2015, The Parent Company's advances to DFNN of P86,000 have been converted into 18,105,263 common shares of DFNN while the accumulated interest earned of P12,691, from date of Conversion Notice to the date of conversion, have been converted into 2,671,783 common shares of DFNN on October 30, 2015. The fair value of 18,105,000 and 2,671,783 common shares as at the date of conversion were P5.15 and P6.04 per share, respectively.

The conversion resulted in 8.76% equity ownership of the Parent Company over DFNN. As management does not intend to hold the investment for trading, the total converted amount of P62,329 as at December 31, 2024 (2023 - P67,578) has been classified as "Financial assets at FVOCI" account in the consolidated statements of financial position.

As at December 31, the carrying value of the Group's FVOCI are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at beginning of year | 67,578 | 78,513 |
| Unrealized loss | (5,249) | (10,935) |
| Balance at end of year | 62,329 | 67,578 |

The market prices of DFNN common shares as at December 31, 2024 is P2.85 (2023 - P3.09). The accumulated fair value loss for the financial asset at FVOCI as at December 31, 2024 amounts to P43,798 (2023 - P38,549).

## 10. Intangible assets

Intangible assets as at December 31 consist of:

| | Ref | 2024 | 2023 |
|---|---|---|---|
| Goodwill | a | 1,329,092 | 1,329,092 |
| Software and website | b | 1,177,239 | 5,400 |
| | | 2,506,331 | 1,334,492 |

*a. Goodwill*

Goodwill from Group's business acquisitions are as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost: | | |
| Retail Group | 1,472,129 | 1,472,129 |
| Network and License Group | 29,940 | 29,940 |
| | 1,502,069 | 1,502,069 |
| Accumulated impairment loss | (172,977) | (172,977) |
| Balance at end of year | 1,329,092 | 1,329,092 |

The goodwill from the acquisitions has been subjected to the annual impairment review in 2024 and 2023. The recoverable amounts of the operations are based on value-in-use (VIU) calculation using the cash flow projections approved by management. The cash flow projections cover five (5) years from the date of impairment review.

The recoverable amount of goodwill from the acquisitions of the bingo units was determined based on VIU calculations using actual past results and observable market data such as growth rates, among others.

The following are the key assumptions used by the management in the estimation of the recoverable amount:

*Gross revenues*

Gross revenues of the Group over the next five (5) years are projected to grow in line with the economy or with the nominal Gross Domestic Product. This assumes that the market share of the subsidiaries in their respective territories will be flat on the assumption that it will also grow at par with the economy.

The revenue growth rates used for the gross revenues are as follows:

| | 2024 | 2023 |
|---|---|---|
| Retail Group | 4.31% | 3.10% |
| Network and License Group | 4.31% | 3.10% |

*Operating expenses*

Operating expenses are projected to increase at a single-digit growth rate and at a slower pace than revenue.

*Discount rate*

Discount rates are derived from the Group's Weighted Average Cost of Capital (WACC) which is used by the management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates, regard has been given to various market information, including, but not limited to, five-year government bond yield, bank lending rates and market risk premium. The discount rates used are as follow:

| | 2024 | 2023 |
|---|---|---|
| Retail Group | 9.25% | 8.97% |
| Network and License Group | 9.25% | 8.97% |

*Terminal growth rate*

The long-term rate used to extrapolate the cash flow projections of the acquired investments beyond the period covered by the recent budget excludes expansions and possible acquisitions in the future. Management also recognizes the possibility of new entrants, which may have significant impact on existing growth rate assumptions. Management, however, believes that new entrants will not have a significant adverse impact on the forecast included in the cash flow projections.  The terminal growth rate used in the cash flow projections for all cash generating units is 4.15% in 2024 (2023 - 4.61%).

*Sensitivity analysis*

The Group has determined that the recoverable amount calculations are most sensitive to changes in assumptions on cash flow projections, discount rate and verifiable industry growth rates. The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount of the CGU. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not result in impairment loss due to the substantial headroom.

*b. Software and website, net*

Software and website, net as at December 31 consist of:

| | Software | Website | Total |
|---|---|---|---|
| At December 31, 2022 | | | |
| Cost | 146,379 | - | 146,379 |
| Accumulated depreciation and amortization | (142,847) | - | (142,847) |
| Net carrying value | 3,532 | - | 3,532 |
| **For the year ended December 31, 2023** | | | |
| Opening net carrying value | 3,532 | - | 3,532 |
| Additions | 1,937 | 1,130 | 3,067 |
| Depreciation and amortization | (1,171) | (28) | (1,199) |
| Closing net carrying value | 4,298 | 1,102 | 5,400 |
| **At December 31, 2023** | | | |
| Cost | 148,316 | 1,130 | 149,446 |
| Accumulated depreciation and amortization | (144,018) | (28) | (144,046) |
| Net carrying value | 4,298 | 1,102 | 5,400 |
| **For the year ended December 31, 2024** | | | |
| Opening net carrying value | 4,298 | 1,102 | 5,400 |
| Additions | 1,280,258 | 22,842 | 1,303,100 |
| Depreciation and amortization | (129,283) | (1,978) | (131,261) |
| Closing net carrying value | 1,155,273 | 21,966 | 1,177,239 |
| **At December 31, 2024** | | | |
| Cost | 1,428,574 | 23,972 | 1,452,546 |
| Accumulated depreciation and amortization | (273,301) | (2,006) | (275,307) |
| Net carrying value | 1,155,273 | 21,966 | 1,177,239 |

## 11. Other noncurrent assets

Other noncurrent assets as at December 31 are as follows:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Rental deposits | 18 | 522,376 | 478,605 |
| Cash performance bonds | 15 | 487,915 | 449,382 |
| Operating license | | 281,969 | 476 |
| Deferred project costs | | 171,201 | 824,235 |
| Premium on group pension plan | | 36,090 | 36,090 |
| Utility and construction bond | | 33,243 | 18,941 |
| Performance cash deposits and betting credit funds | | 33,200 | 33,700 |
| Input VAT | | 26,836 | 26,836 |
| Advances to suppliers | | 18,800 | 75,926 |
| Airstrip improvements, net | | 15,536 | 18,629 |
| Cash in bank - restricted | 13 | - | 25,607 |
| Others | | 19,985 | 41,823 |
| | | 1,647,151 | 2,030,250 |

Deferred project costs

These are advances directly attributable to the development of software systems which will be capitalized upon deployment of the software and will subsequently be classified as intangible assets. In 2024, the Group reclassified from deferred project costs to intangible assets as these softwares were made available for use amounting to P1,270,656.

Cash performance bonds

Cash performance bonds pertain to surety bonds deposited with PAGCOR which are refundable at the end of the period covered by the License (Note 15).

Premium on group pension plan

The premium on group pension plan pertains to the insurance plan the Group entered into for its employees with the Parent Company and its subsidiary, ABLE, as the beneficiaries.

Performance cash deposits and betting credit funds

PAGCOR granted Total Gamezone Xtreme Incorporated (TGXI) the privilege to establish, install, maintain, and operate PAGCOR eGames Station (PeGS). For each PeGS, TGXI has a performance cash deposits with PAGCOR amounting to P100 and maintains betting credit funds amounting to P100.

Airstrip improvements

Airstrip improvements pertain to the cost of improvements made by FCLRC for the airport constructed in Cagayan in coordination with LRLDI, CEZA, CPVDC and CLPDC (Note 7).

Details of the movements of the airstrip improvement for the year ended December 31 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Beginning | 18,629 | 21,722 |
| Depreciation | (3,093) | (3,093) |
| Closing net carrying value | 15,536 | 18,629 |
| Cost | 103,100 | 103,100 |
| Accumulated depreciation | (87,564) | (84,471) |
| | 15,536 | 18,629 |

## 12. Trade payables and other current liabilities

Trade payables and other current liabilities as at December 31 are as follows:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Payable to: | | | |
| PAGCOR | 15 | 1,584,270 | 1,319,319 |
| Suppliers | | 1,584,020 | 958,403 |
| Government agencies | | 1,065,743 | 97,248 |
| CEZA | 16 | 9,740 | 11,670 |
| | | 4,243,773 | 2,386,640 |
| Accrued expenses: | | | |
| Advertising and marketing fees | | 2,160,403 | 300,378 |
| Outside services | | 495,721 | 415,161 |
| Machine fees | | 237,923 | 1,837,521 |
| Interest payable | | 112,714 | 183,708 |
| Utilities | | 102,238 | 61,722 |
| Salaries, wages and benefits | | 100,772 | 42,909 |
| Professional fees | | 38,527 | 33,475 |
| Others | | 88,900 | 53,039 |
| | | 3,337,198 | 2,927,913 |
| Contract liabilities | | 796,342 | 597,008 |
| Rent payable | | 154,895 | 158,211 |
| Jackpot liability | | 31,253 | 27,825 |
| Finder’s fee | | 30,103 | 30,103 |
| Dividends payable | 14 | 6,842 | 15,313 |
| Customer deposit | | 3,486 | 3,503 |
| Provision for probable losses | | 1,394 | 16,233 |
| Output VAT | | 511 | 414 |
| | | 8,605,797 | 6,163,163 |

Payable to PAGCOR includes franchise fees that are remitted on a weekly basis.

Payable to suppliers pertains to various supplies expense in relation to the Company's operations. These are normally settled within one year.

Payable to government agencies pertain to payments for final withholding taxes and other regulatory agencies that are expected to be settled with one year.

Accruals for machine fees pertain to the payable to machine owners for their share of the gross receipts from the e-bingo machines and platform and are payable on a 30-day credit terms.

Contract liabilities relate to the player balances in the Group's online traditional bingo, electronic gaming system and live sports games.

Movements in contract liabilities for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| As at January 1 | 597,008 | 166,528 |
| Additions | 70,820,696 | 23,062,061 |
| Revenue recognized | (70,621,362) | (22,631,581) |
| As at December 31 | 796,342 | 597,008 |

Rent payable pertains to the liabilities for leases that are classified as operating lease.

Finder's fee pertains to the amounts payable to professionals hired by the Group to aid in selecting investment properties and companies where the Group will invest in the future.

Jackpot liability refers to the amount accrued for the jackpot price computed based on a certain percentage of total player deposits.

Provision for probable losses represents mainly estimated cost of future claims against the Group, which is presented as part of other expenses, net in the consolidated statements of total comprehensive income.

Movements in provision for probable losses for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| As at January 1 | 16,233 | 18,803 |
| Additions | - | 3,000 |
| Settlements/ reversals | (14,839) | (5,570) |
| As at December 31 | 1,394 | 16,233 |

Customer deposits are security deposits received from the customers of First Cagayan Convergence Data Center Inc. (FCCDCI) and LR Data Center and Solutions Inc. (LRDCSI) to secure the service agreements as are refundable upon termination of the contracts. As at December 31, 2024, customer deposits aggregates to P85,782, of this amount, P82,296 relates to the non-current portion (2023 - aggregates to P83,770, P80,267 of which is non-current).

## 13. Loans payable

*Short-term loans*

Short term loans as at December 31 are as follows:

| | Ref | 2024 | 2023 |
|---|---|---|---|
| UnionBank of the Philippines (UB) | b | - | 1,000 |
| | | - | 1,000 |

Movements of the short-term loans for the years ended December 31 are as follows:

| | Ref | 2024 | 2023 |
|---|---|---|---|
| Balance at the beginning of the year | | 1,000 | 116,739 |
| Additions | b, c, d | 15,000 | 576,000 |
| Payments | b, c, d | (16,000) | (691,739) |
| Balance at the end of the year | | - | 1,000 |

Interest expense and interest payments related to the loans for the year ended December 31, 2024, amounted to P324 (2023 - P14,137).

*Long-term loans*

Long term loans as at December 31 are as follows:

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | Ref | Current portion | Non-current portion | Current portion | Non-current portion |
| Chip Leader | f | - | - | 702,384 | - |
| Prominence | f | 733,781 | - | - | - |
| AUB | g | - | - | 315,000 | 869,423 |
| | | 733,781 | - | 1,017,384 | 869,423 |

Movements of the long-term loans for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at the beginning of the year | 1,886,807 | 3,160,901 |
| Additions | - | 1,200,000 |
| Payments | (1,200,000) | (2,450,000) |
| Transaction cost on new drawdowns | - | (21,724) |
| Amortization of transaction costs | 15,577 | 6,147 |
| Impact of foreign currency translation | 31,397 | (8,517) |
| Balance at the end of the year | 733,781 | 1,886,807 |

As at December 31, the unamortized amount of transaction costs are as follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Balance at beginning of year | | 15,577 | 21,724 |
| Amortization | 20 | (15,577) | (6,147) |
| Balance at end of year | | - | 15,577 |

Interest expense related to the loans for the year ended December 31, 2024, amounted to P79,909. (2023 - P119,965; 2022 - P220,228).

In March 2020, LRLDI entered into a short-term loan agreement with a local finance company, CFI, for working capital requirements. The loan has amounting to P70,000 is subject to an interest rate of 8% and shall be payable in one year. In consideration of the loan, LRLDI assigned its receivable due from TCAMI and pledged 20,777 shares of stock of DFNN, which is owned by the Parent Company, for a total amount of P112,631.

In 2021, prior to the maturity of the loan, CFI granted LRLDI an twelve-month extension and LRLDI obtained an additional loan amounting to P76,500 with an interest rate of 8% and maturity date of one year. In 2022, CFI further granted LRLDI with a twelve-month extension for the two loans which are maturing in March 2023.

In 2023, LRLDI settled the outstanding balance totaling P116,739.

b. On October 3, 2023, AB Leisure Exponent, Inc. (ABLE) entered into a short-term loan agreement with UB amounting to P1,000 with annual interest rate of 7.5% and maturity date of September 27, 2024. During the first half of 2024, the Company fully settled the loan.

   On June 14, 2024, ABLE entered into a 180-day short-term loan agreement with UB amounting to P5,000 with annual interest rate of 7.75% maturing on December 11, 2024. In September 2024, the Company fully settled the loan.

c. On June 21, 2024, ABLE entered into a 180-day short-term loan agreement with Philippine Business Bank amounting to P5,000 with annual interest rate of 8.00% maturing on December 17, 2024. In September 2024, the Company fully settled the loan.

d. On June 24, 2024, DigiPlus entered into a 179-day short-term loan agreement with Sterling Bank of Asia amounting to P5,000 with annual interest rate of 8.00% maturing on December 20, 2024. In September 2024, the Company fully settled the loan.

e. On November 29, 2017, ABLGI executed an Omnibus Loan and Security Agreement (OLSA) with BDO to partially finance the equity investment which GL-JV has undertaken to use for the purpose of acquiring land in Boracay. The loan amounted to P2,500,000, which is payable in full on the final repayment date in November 2022. ABLGI partially repaid the loan amounting to P250,000 in January 2020.

   On December 3, 2022, BDO granted an extension period of 60 days on the maturity date of the loan under the “Bayanihan to Recover As One Act”. As a result, the Group was able to secure an extension of the loan maturity to January 30, 2023. The Group paid the loan balance in full in January 2023.

   Interest rate approximates 5.66% per annum and is subject to change depending on the higher of (a) three (3) month Philippine Dealing System Treasury Reference Rate (PDST-R2) plus applicable spread of 2.5% divided by 0.95 or (b) 28- day Time Deposit Facility Rate plus applicable spread of 1% divided by 0.95. Interest is payable on a quarterly basis.

   Among the provisions of the agreement, ABLGI is mandated to establish two bank accounts, a DSRA and a Debt Service Payment Account (DSPA). Both accounts are to be maintained at a certain level of funding to facilitate ABLGI’s loan and interest payments to BDO. In the event that funding in the DSPA is insufficient to cover payments of interest, BDO is authorized to directly debit the DSRA to maintain the required funding level. ABLGI is required to pay a front-end fee equivalent to zero-point seventy-five percent (0.75%) of the total amount of loan. Transaction costs that are directly attributable on the issuance of loan amounted to P44,025 which were amortized over the life of the loan.

   Amortization of transaction costs is recognized under finance expense in the consolidated statement of total comprehensive income (Note 20).

   In consideration of the commitment of BDO to fund the ABLGI’s equity investment, ABLGI, GL-JV, ABLAHI and ABLHPC has assigned to BDO its respective rights, titles and interest to all monies standing in the DSRA and DSPA, and other bank accounts created for this particular purpose, project receivables (collectively termed as “Assigned Collaterals”), as well as the proceeds, products, fruits of the aforementioned Assigned Collaterals.

   On January 18 and 23, 2023, ABLE entered into one-year short-term loan agreements with BDO amounting to P25,000 and P300,000, respectively. The loans are fully settled on various dates in 2023.

f. In February 2020, LRLDI entered into a loan agreement with Chip Leader Holdings Corporation (CLHC) to finance its operational and capital expenses. The loan amounting to US$ 10 million or P480,230 shall be payable in March 2023. Annual interest rate is at 12% subject to change depending on the prevailing financial and monetary conditions.

   The loan is secured by land owned by LRLDI located in Cagayan with fair value as at December 31, 2023 amounting to P1,874,943 (2022 - P1,572,885).

In 2021, CLHC provided LRLDI an extension for the first principal payment for an additional twelve months from its original due date of March 1, 2021. On June 1, 2021, CLHC extended an additional loan to the Company amounting to US$ 6.32 million or P355,980 with annual interest rate of 10% on the unpaid principal amount and with maturity date same as the original loan. The additional loan is secured by the above-mentioned properties owned by the LRLDI.

In February 2023, LRLDI partially settled the loan amounting to P200,000. In March 2023, CLHC further granted LRLDI with a twelve-month extension for the outstanding balance of the loan maturing in March 2024.

In 2024, Chip Leader entered into a Deed of Assignment of Loan with Prominence Global Access Fund SPC - Prominence Multi-Strategy Fund SP ("Prominence") whereby Chip Leader assigned the entire loan and interests to Prominence. The balance remains outstanding as at audit report date.

g. In April 2023, ABLE entered into a term-loan facility with AUB amounting to P3,000,000 available for multiple drawdowns to finance both capital and general corporate expenditures. The loan is payable in nine (9) consecutive quarterly installments on its respective repayment dates beginning at the end of the $4^{th}$ quarter from the initial drawdown date. Total transaction costs incurred for the availment of the loan amounted to P38,180. The loan is subject to interest rate calculated as the higher of (i) sum of benchmark rate and 2.25% divided by 0.95, or (ii) floor rate of 7% divided by 0.95, payable on a quarterly basis and is subject to annual repricing.

   The loan contains restrictive covenants which include, among others, maintenance of debt-to-equity ratio not exceeding 2.0x and a minimum debt service coverage ratio of 1.10x which shall be tested annually based on the consolidated audited financial statements of the Group.

   Among the provisions of the agreement, ABLE is mandated to establish a DSRA. The account is to be maintained at a certain level of funding to facilitate ABLE's loan and interest payments to AUB. The Group has classified its cash included under the DSRA as "Restricted - cash in bank" account under other non-current assets in the consolidated statements of financial position amounting to P25,607 as at December 31, 2023 (Note 11).

   The loan is secured by land owned by G-L Real Estate JV Corporation located in Boracay with fair value as at December 31, 2023 amounting to P8,941,968 (2022 - P8,835,614). The loan is also secured by cash under the DSRA and Revenue accounts classified as "Cash in bank - restricted" under other noncurrent assets in the consolidated statements of financial position amounting to P25,607 as at December 31, 2023 (Note 11). Initial drawdown was made in April 2023 amounting to P1,200,000. The loan is presented net of debt issue cost. In 2024, the Group pre-terminated its long-term loan facility with AUB which has original maturity date of April 2026. As a result, pre-termination costs amounting to P62,046 were incurred, primarily consisting of prepayment penalties, unamortized transaction costs, and other related charges. These costs have been recognized as finance expense under the consolidated statements of comprehensive income. The loan was fully paid as of December 31, 2024.

   On the same date, ABLE entered into a loan line with AUB amounting to P250,000 to finance general working capital requirements. The loan is payable up to ninety days from date of drawdown. The Group fully settled the short-term loan in 2023.

## 14. Equity

Equity as at December 31 is as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | Number of shares | Amount | Number of shares |
| Capital Stock | | | | |
| Authorized: | | | | |
| Common shares - P1 par value | 7,000,000 | 7,000,000,000 | 7,000,000 | 7,000,000,000 |
| Balance at beginning of year | 4,785,307 | 4,785,306,666 | 4,094,107 | 4,094,106,666 |
| Issued during the year | - | - | 691,200 | 691,200,000 |
| Balance at end of year | 4,785,307 | 4,785,306,666 | 4,785,307 | 4,785,306,666 |

Capital stock

Pursuant to the registration statement rendered effective by the SEC on February 6, 1958, and permit to sell issued by the SEC dated February 6, 1958 - 15,000 common shares of the Parent Company were registered and may be offered for sale at an offer price of P1.33 per common share.

On June 18, 2013, the SEC approved the increase in the Parent Company's authorized capital stock from P1,600,000 to P5,000,000 divided into 2,500,000 common shares and 2,500,000 preferred shares with each class having a par value of P1 per share. The preferred shares may be issued in tranches or series and shall be non-voting, non-participating, entitled to preferential and cumulative dividends at the rate not exceeding 12% per annum, and shall have such other rights, preferences, restrictions and qualifications as may be fixed by the BOD at their issuance.

The preferred shares have a coupon rate of 8.5% per annum and are paid semi-annually. These preferred shares are cumulative, non-voting and non-participating. Twenty (20) preferred shares will entitle each investor to one warrant. Each warrant, if exercised at a price of P15 or the average weighted trading price for the three months prior (whichever is lower) will be converted to one common share. This option will be exercisable starting on the fifth year until the eighth year.

On January 11, 2019, the Parent Company's BOD and stockholders approved the issuance of up to 1,300,147 common shares from the unissued capital stock through a private placement at a price based on a premium over the DigiPlus' shares closing price on November 29, 2018.

On January 31, 2020, the Parent Company redeemed all of its 1.65 million preferred shared at P1.00 per share.

In March and April 2019, 1,217,647 common shares were subscribed at P3.60 per share by virtue of the subscription agreements entered into by the Parent Company with its investors. Transactions costs related to the share issuance amounting to P16,604 are recognized as deduction to additional paid-in capital.

On June 15, 2021, and July 30, 2021, the BOD and stockholders of Parent Company respectively approved the reclassification of DigiPlus' 1.5 million preferred shares into common shares. On May 20, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this reclassification. On November 22, 2021, and January 7, 2022, the BOD and stockholders respectively approved the reclassification of the remaining 1.0 billion preferred shares into common shares. On May 26, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this further reclassification.

On March 7, 2022, the BOD approved and authorized the issuance of 1,272,352,512 common shares at an issue price of P1.65 per share to various subscribers. Pursuant to the Subscription Agreements, the payment of the subscription price to DigiPlus shall be fully paid by the subscribers within 90 days from signing of their respective Subscription Agreements, which will fall on June 9, 2022. On May 10, 2022, the Board approved the extension of the deadline to pay up to August 9, 2022. On August 8, 2022, the Company received the full payment of the subscription amount from all the private placement subscribers. The 1,272,352,512 subscribed shares were issued from the 1,650,000,000 treasury shares. Transaction costs related to share issuances amounting to P12,723 are recognized as deduction to additional paid-in capital.

On September 15, 2022, the BOD of the Parent Company approved the increase of the Company's authorized capital stock from P5 billion to P7 billion. On November 24, 2022, the amendment was approved by the stockholders. On September 12, 2023, the SEC approved the increase of the Company's capital stock. Consequently, the Company issued 691,200 common shares at an issue price of P2.68 per share to various subscribers.

As of December 31, 2024 and 2023, the Parent Company has 1,803 and 1,823 common stockholders, respectively.

<u>Warrants</u>

On June 10, 2013, the BOD of the Parent Company approved the listing of 1,650,000 newly issued preferred shares and 82,500,000 warrants. The said listing was completed in December 2013.

On December 5, 2013, the BOD approved to change the expiry date of the warrants issued by the Parent Company to September 2021.

In September 2021, 26,606,666 warrants were exercised and converted into shares for an exercise price of P1.503 per share, which is the weighted average trading price for three (3) months prior to the exercise date with a 10% discount. Consequently, common shares with par value aggregating to P26,607 were issued for the exercised warrants resulting in additional paid-in capital of P13,383.

The remaining 55,893,334 warrants which were not exercised in September 2021 are deemed expired and are no longer exercisable.

On January 31, 2020, the Parent Company redeemed all of its 1,650,000 preferred shares at P1.00 per share. The redeemed preferred shares are not cancelled, thus, accounted and presented as treasury shares in the consolidated statements of changes in equity.

<u>Declaration of cash dividends</u>

On March 19, 2024, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.18 per outstanding common share. The cash dividends were paid on April 18, 2024, to stockholders of record as of April 4, 2024.

There were no cash dividends declared by the BOD to common stockholders of the Parent Company in 2023.

For the year ended December 31, 2024, the Group paid dividends amounting to P801,850 (2023 - P160,074). As at December 31, 2024, unpaid dividends, included under "Trade and other payables" account in the consolidated statements of financial position, amounted to P6,842 (2023 - P15,313) (Note 12).

*Retained earnings*

On December 14, 2024, the BOD passed a resolution to appropriate retained earnings amounting to P7,300,000. This allocation is designated to fund the approved capital expenditures, provide financial support for the Brazil project, and facilitate the distribution of cash dividends in 2025.

*Subsequent event*

On March 7, 2025, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.86 per outstanding common share. The cash dividends will be payable on April 4, 2025, to stockholders of record as of March 24, 2025.

Treasury shares

Details of treasury shares are as follows:

| | Parent Company Treasury Shares | | Parent Company Shares held by ABLE | |
|---|---|---|---|---|
| *Number of shares* | 2024 | 2023 | 2024 | 2023 |
| Balance at beginning of year | 377,647,488 | 377,647,488 | 21,567,000 | 21,567,000 |
| Issuance of shares | - | - | - | - |
| Balance at end of year | 377,647,488 | 377,647,488 | 21,567,000 | 21,567,000 |

| *Amount* | 2024 | 2023 | 2024 | 2023 |
|---|---|---|---|---|
| Balance at beginning of year | 377,647 | 377,647 | 53,951 | 53,951 |
| Issuance of shares | - | - | - | - |
| Balance at end of year | 377,647 | 377,647 | 53,951 | 53,951 |

Deposits for future stock subscriptions

On November 25, 2021, The Parent Company and Catchy Solutions Ltd. entered into an agreement for the subscription to 225,000,000 common shares of stock of the Parent Company in the amount of P371.3 million where in payments were received as at December 31, 2021. Pending submission of the application for the increase in authorized capital stock with the SEC as at December 31, 2021, such subscription payments were presented as "Deposits for future stock subscriptions" in the 2021 consolidated statement of financial position.

On August 8, 2022, upon receipt of all subscription payments, the Parent Company issued all subscribed shares to subscribers. The Parent Company reissued the treasury shares as a result of this transaction.

Earnings per share

Basic earnings per share is computed as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Net income attributable to equity holders of the Parent Company (a) | 12,577,884 | 4,077,734 | 600,705 |
| Adjusted weighted average number of shares outstanding (b) | 4,407,659 | 3,924,766 | 2,953,048 |
| Basic earnings per share (a/b) | 2.8536 | 1.0390 | 0.2034 |

Diluted earnings per share is computed as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Net income attributable to ordinary stockholders of the Parent Company (a) | 12,577,884 | 4,077,734 | 600,705 |
| Adjusted weighted average number of shares outstanding (b) | 4,407,659 | 3,924,766 | 2,953,048 |
| Effect of dilutive potential common shares (c) | 185,099 | - | - |
| Adjusted weighted average number of shares outstanding (d=b+c) | 4,592,758 | 3,924,766 | 2,953,048 |
| Diluted earnings per share (a/d) | 2.7386 | 1.0390 | 0.2034 |

Share-based compensation plan

The establishment of the employee share option plan ("the Plan") was approved by the BOD of the Parent Company and the stockholders on January 31, 2023 and March 27, 2023 respectively. The Plan was established to recognize the contributions of key individuals within the Group whose contributions are essential to growing the business and delivering long-term shareholder returns. Under the Plan, the participants are granted options which will vest in accordance with the Group's vesting policy and the fair value of each option is estimated on the grant date using an appropriate valuation model.

On July 4, 2024, the SEC approved the Parent Company's application for exemption from filing registration statement of the Plan.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. Each option can be converted to a single share at an exercise price depending on the volume weighted average of share price for the 30-trading days immediately prior to the grant date.

The Plan is administered by the Compensation Committee of the BOD, and its sub-committee specially created for purposes of administering the Plan, which is consolidated in accordance with the principles in Note 28.3. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. Any proceeds received, net of directly attributable transactions costs, are credited directly to equity.

Set out below are summaries of options granted under the plan:

| | 2024 | 2023* |
|---|---|---|
| At January 1 | 127,324,564 | - |
| Granted during the year | 134,399,569 | 127,324,564 |
| Exercised during the year | - | - |
| Forfeited during the year | (2,010,000) | - |
| At December 31 | 259,714,133 | 127,324,564 |
| Vested and exercisable at December 31 | 45,001,956 | - |

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates:

| Grant date | Expiry date | Share options December 31, 2024 | Share options December 31, 2023 |
|---|---|---|---|
| *Batch 1* | | | |
| Tranche 1 - April 1, 2023 | January 1, 2029 | 45,001,956 | 45,001,956 |
| Tranche 2 - April 1, 2023 | January 1, 2030 | 39,556,956 | 40,546,956 |
| Tranche 3 - April 1, 2023 | January 1, 2031 | 40,755,652 | 41,775,652 |
| *Batch 2* | | | |
| Tranche 1 - November 12, 2024 | January 1, 2030 | 44,351,857 | - |
| Tranche 2 - November 12, 2024 | January 1, 2031 | 44,351,858 | - |
| Tranche 3 - November 12, 2024 | January 1, 2032 | 45,695,854 | - |
| Total | | 259,714,133 | 127,324,564 |
| Weighted average remaining contractual life of options outstanding at end of period | | 5.51 | 5.98 |

The assessed fair value at grant date of options granted during the year ended December 31, 2024 was P12.70 per option (2023 – P1.42 per option). The fair value at grant date is independently determined using a Modified Binomial Tree Model that takes into account the stock price volatility, risk-free rate, dividend yield, employee exercise behavior and forfeiture rates. The fair value is recognized as an expense over the relevant service period, which is the vesting period of the options.

The model inputs for options granted during the year ended December 31, 2024 included:

(a) options are granted for no consideration and vest based on the terms of the plan. Vested options are exercisable for a period of five years after vesting,
(b) grant date: November 12, 2024 (2023 - April 1, 2023),
(c) expiry date: October 31, 2029 (2023 - October 31, 2028),
(d) strike price: P12.94 (2023: P2.68)
(e) share price at grant date: P19.90 (2023 - P2.66),
(f) expected dividend yield: 0.15% (2023 - 0.87%),

The compensation expense recognized during the year ended December 31, 2024 amounted to P778,271 which is presented under cost and operating expenses in the consolidated statements of total comprehensive income. As at December 31, 2024, the stock option reserve arising from the Plan amounted to P P778,271.

*Subsequent events*

On January 28, 2025, the Philippine Stock Exchange ("PSE") issued the Notice of Approval to list up to 220,382,958 PLUS common shares to cover its ESOP.

On March 20, 2025, a total of 25,285,500 PLUS shares were issued in favor of the ESOP grantees who exercised and fully paid for their options. On April 3, 2025, the exercised shares were listed with the PSE.

## 15. Gaming licenses to operate

Revenue from retail games for the years ended December 31 are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Bingo games | 7,834,559 | 10,384,844 | 6,292,695 |
| Electronic games | 66,272,052 | 15,983,732 | 1,833,427 |
| | 74,106,611 | 26,368,576 | 8,126,122 |

a. Bingo games

Revenue from Bingo games is composed of revenue from the online and offline traditional bingo games, electronic bingo games and rapid bingo system.

*Operation of online traditional bingo (OTB) games*

The Group remits to PAGCOR its share of 15% on Gross Gaming Revenue (GGR), where GGR is equal to Gross Bets less Total Payouts, or a monthly Minimum Guaranteed Fee (MGF) of P100 million, whichever is higher, including the 5% franchise tax on PAGCOR share. On August 15, 2023, PAGCOR issued a memorandum on the Regulatory Framework for the Fees and Rates on Gaming Site Operations. Effective August 2023 to March 2024, ABLE remits 20% PAGCOR share on GGR from OTB. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

In addition, the cost for services of PAGCOR's Third Party Audit Provider equivalent to 10% of the PAGCOR share net of franchise tax is also remitted to PAGCOR.

*Operation of traditional bingo games*

PAGCOR awarded ABLE and its subsidiaries the authority to operate and conduct traditional bingo games, as well as the betting aspect thereof, within the confines of the game sites. The licenses for various periods ranging from September 2020 to September 2023. In September 2023, the licenses were renewed and are valid until September 2025.

The Group pay PAGCOR 15% of its gross bingo card sales as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

As at December 31, 2024, the Group deposited cash performance bonds with PAGCOR totaling P40,500 (2023 - P37,500), to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

*Operation of electronic bingo games*

PAGCOR awarded the Group the authority to operate and conduct electronic bingo games, as well as the betting aspect thereof, within the confines of the game sites. The Licenses for various periods ranging from February 2017 to March 2024. In March 2024, the licenses were renewed and are valid until March 2026.

The Group pays PAGCOR 50% of its revenue less payouts as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 42.5% of GGR. Starting April 2024, PAGCOR share is calculated at 35% of GGR.

As at December 31, 2024, the Group deposited cash performance bonds with PAGCOR totaling P333,665 (2023 - P326,632), to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

*Operation of New Rapid Bingo System (NRBS)*

On September 27, 2005, PAGCOR granted ABLE the authority to operate and conduct rapid bingo games, subject to the approved terms and conditions of NRBS operations and the use of the prescribed NRBS card format. ABLE pays PAGCOR 15% of its gross sales (total amount wagered or bets) from the NRBS operations, which shall be remitted twice weekly, until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

As at December 31, 2024 and 2023, ABLE deposited cash performance bonds amounting to P1,000, with PAGCOR to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

*Distribution and sale of pull-tabs or break-open cards*

On August 3, 2005, PAGCOR granted ABLE the authority to distribute and sell pull-tabs or break-open cards in all of the branches of ABLE and its subsidiaries. In consideration of the Grant, ABLE shall pay PAGCOR 15% of gross card price which shall be remitted to PAGCOR by ABLE upon draw-down of cards from the supplier, regardless of quantity of cards sold. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. Starting April 2024, PAGCOR share is calculated at 25% of GGR.

Franchise fees included in “Franchise fees and taxes” account in the consolidated statement of total comprehensive income amounted to P3,422,293 in 2024 (2023 - P4,791,520; 2022 - P3,452,000).

b. Electronic games

PAGCOR awarded DigiPlus the authority to operate and conduct electronic games, as well as the sports betting aspect thereof. The Licenses for various periods ranging from December 2017 to August 2023 are subject to renewal after one (1) to (2) two years upon mutual agreement of both parties. In August 2023, the Licenses were renewed and are valid until August 2025.

Franchise fees included in “Franchise fees and taxes” account in the consolidated statement of total comprehensive income amounted to P30,090,980 in 2024 (2023 - P8,178,920; 2022 - P1,146,518).

The Group pays PAGCOR 25%-47.5% of its revenue as franchise fee until July 2023. Effective

August 2023, PAGCOR share is calculated at 22.5%-41.25% of GGR. Starting April 2024, PAGCOR share is calculated at 20%-35% of GGR.

As at December 31, 2024, TGXI deposited cash performance bonds amounting to P97,750 (2023 - P84,250), with PAGCOR to ensure due observance of and faithful compliance with the terms and conditions of the license (Note 11).

## 16. License agreement

CEZA is authorized under Section 6f of R.A. No. 7922, “An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing Funds Therefore, and for Other Purposes”, to operate on its own, either directly or through a subsidiary entity, or license to others, tourism-related activities, including games, amusements, recreational and sport facilities, such as horse racing, gambling casinos, golf courses, and others, under priorities and standards set by CEZA in CSEZFP.

On February 2, 2001, FCLRC and CEZA entered into a license agreement authorizing FCLRC to set up a network operation/hub with its internet server including web sites, gaming software, application programs, administrative software, hardware, internet, as well as telecommunication connections, collection and payment system and toll-free telephone operations, all in connection with the development, operation and conduct of internet and gaming enterprises and facilities in CSEZFP. In line with this mandate, FCLRC was also authorized and licensed to conduct interactive games as defined in the license agreement.

Subsequent to the signing of the license agreement, FCLRC and CEZA signed a supplemental agreement which provides for the following:

1. Appointment of FCLRC as Master Licensor for internet gaming activities and shall be responsible for monitoring all activities pertaining to the licensing and operation of interactive games in CSEZFP;

2. FCLRC is authorized to assist CEZA in its functions as a regulator for interactive gaming activities on behalf of CEZA in accordance with Part 5 of CSEZFP Interactive Gaming Rules and Regulations;

3. The authorization of FCLRC as Master Licensor shall be exclusive for twenty-five years starting from November 7, 2006 or until 2031;

4. FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the locators, in accordance with an agreed formula. Also, FCLRC is authorized to collect from sub-licenses an annual fixed amount for the first year of operations and thereafter, from sportsbook operators. The amount collected from sublicences is recognized by FCLRC as unearned fees and recognize the revenue over time upon provision of the access to the hosting platform. Unearned fees included under “Trade and other payables” account in the consolidated statements of financial position amounted to P16,375 as at December 31, 2024 (2023 - P13,369); and

5. FCLRC must pay CEZA, on a monthly basis to commence upon the start of actual operations of FCLRC, an amount equivalent to one percent (1%) of the monthly gross winnings payable not later than the seventh (7th) day of the subsequent month. Starting on the sixth (6th) year after the start of FCLRC's operation, FCLRC shall pay a minimum guaranteed amount of $250. Unpaid CEZA fees are charged with interest of 12% per annum. CEZA fees included in "Franchise fees and taxes" account in the profit or loss amounted to P172,664 in 2024 (2023 - P133,192; 2022 - P109,130).

FCLRC is entitled to tax incentives under Section 4c of RA No. 7922 (CEZA law). No taxes, local, and national, shall be imposed on business establishments operating within the CSEZFP. In lieu of paying taxes, FCLRC shall pay and remit to the national government and local government units five percent (5%) of locators' gross income less allowable deductions. FCLRC's gross income tax amounted to P5,252 in 2024 (2023 - P5,069; 2022 - P4,166) (Note 22).

FCLRC proposed a Master Development Plan in keeping its authority under the license agreement. The Master Development Plan proposed by FCLRC will accordingly create a self-sustaining industrial zone and mixed-use new township in the CSEZFP with tourism and leisure as the lead sector to be developed. The Master Development Plan envisaged by FCLRC shall comprise of the three (3) phases with time frame of completion as follows:

- Phase I supposedly completed in 2009 after authorization of the CEZA BOD which includes telecommunication connectivity via microwave radio; upgrading of the existing internet data center; conversion of the CEZA Complex into a gaming facility; upgrading of the San Vicente Naval Airport; and Construction of a new CEZA Administration Office. Phase 1 was completed in January 2011.

  In August 2007, FCLRC and CEZA entered into an agreement with A.G. Pazon & Associates and CAMJ Construction Corporation, both third parties, to start the development of the Cagayan Business Park (CBP), part of Phase I of the Master Development Plan. The proposed CBP has a total lot area development of 90,005 square meters. The site development plan includes the construction of buildings with a total floor area of 2,400 square meters. The project also includes the construction of an administration building, commercial center, cable center, sub-station and parking spaces. It also includes the installation of an underground power/communication cabling system and an overhead water tank. The development of the CBP was completed in January 2011.

  Another infrastructure required in Phase I of the Master Development Plan is the rehabilitation of the San Vicente Naval Airport (the Airport). On September 1, 2006, FCLRC entered into a contract for the airstrip rehabilitation with the same contractors for the CBP to undertake the expansion, paving and overlaying of the runway of the airport and the provision of basic airport amenities. The rehabilitation of the San Vicente Naval Airport was completed on December 8, 2006.

  As an initial project to establish the internet and telecommunication infrastructure, FCLRC entered into an Agreement with IPCDCC on March 1, 2007, incorporating FCCDCI. The parties shall infuse the necessary capital to fund the required infrastructure requirements of the Master Development Plan.

- Phase II shall be completed after three (3) years of completion of Phase I and shall include the telecommunication connectivity via fiber optic; redundant telecommunication connectivity; and construction of a leisure and resort complex.

- Phase III shall be completed three (3) years after completion of Phase II and shall include the implementation of the Comprehensive Feasibility Study that will provide a complete telecommunication infrastructure for the whole of the CSEZFP; and development of a beach front property into a leisure and gaming facility.

On September 15, 2006, the parties have extended the term of the license agreement from two (2) years to twenty-five (25) years from the date of approval by the CEZA BOD of the Master Development Plan. The 25 years extension of the authority of FCLRC as Master Licensor commenced on November 7, 2006, and will end on November 7, 2031.

On November 24, 2017, FCLRC and CEZA signed a supplemental agreement which provides for the following:

- CEZA retains the 25-year appointment of FCLRC as a non-exclusive Licensor for interactive gaming;
- CEZA shall also grant appointment of FCLRC for land-based gaming after it has complied with all requirements;
- To protect FCLRC's interest and investment as the pioneer Licensor, CEZA effectively restricted itself from directly issuing Gaming Licenses to FCLRC's current and previous licensees; and
- All applicants for gaming licenses from CEZA shall post the amount of USD100 million as an investment commitment. In consideration of the significant actual and future investments attributable to FCLRC, CEZA shall credit such investments towards the investment commitment compliance of applications for gaming licenses coursed through FCLRC.

For the year ended December 31, 2024, the Group recognized revenue related to service and hosting fees in Cagayan amounting to P407,044 (2023 - P340,592; 2022 - P351,793).

## 17. Costs and operating expenses

Cost and operating expenses as of December 31 consist of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Franchise fees and taxes | 15,16 | 33,685,937 | 13,103,632 | 4,707,648 |
| Advertising and promotion | | 13,273,819 | 4,103,449 | 951,863 |
| Outside services | | 9,074,623 | 3,113,346 | 786,596 |
| Salaries and other benefits | | 2,776,366 | 996,800 | 508,281 |
| Subscription | | 1,097,057 | 110,005 | 19,888 |
| Depreciation and amortization | 5,11 | 1,069,601 | 493,432 | 375,827 |
| Communications and utilities | | 368,467 | 322,835 | 273,675 |
| Rent | 18 | 347,998 | 350,926 | 287,203 |
| Others | | 660,434 | 372,481 | 363,310 |
| | | 62,354,302 | 22,966,906 | 8,274,291 |

*Salaries and other benefits*

The details of salaries and other benefits for the years ended December 31 are as follows:

| | Note | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Salaries and wages | | 1,788,609 | 880,309 | 500,218 |
| Share option compensation expense | | 778,271 | - | - |
| Government-mandated employee benefits | | 83,178 | 52,703 | 26,374 |
| Insurance | | 43,788 | 18,422 | 9,005 |
| Defined benefit retirement expense (income) | 19 | 14,087 | 9,169 | (81,333) |
| Bonuses and allowance | | 11,704 | 14,651 | 35,424 |
| Others | | 56,729 | 21,546 | 18,593 |
| | | 2,776,366 | 996,800 | 508,281 |

## 18. Lease agreements / right-of-use assets and lease liabilities

*Group as a Lessee*

The Group has lease contracts for office space, warehouse and various site spaces for its operations. Lease agreements generally have lease terms between 1 and 25 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of site spaces with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

The following are the amounts recognized in the consolidated statements of total comprehensive of income for the years ended December 31:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Depreciation and amortization expense of right-of-use assets included in property and equipment | 5 | 452,376 | 295,970 | 194,546 |
| Expenses relating to short-term leases | 17 | 347,998 | 350,926 | 232,049 |
| Interest expense on lease liabilities | 20 | 95,017 | 55,575 | 95,989 |
| Expenses relating to leases of low-value assets | | - | - | 55,154 |
| Total amount recognized in the consolidated statements of total comprehensive income | | 895,391 | 702,471 | 577,738 |

Total cash outflow related to short-term and low value leases for the year ended December 31, 2024 amounted to P351,314 (2023 - P344,318).

Total cash outflows related to lease liabilities for the year ended December 31, 2024 amounted to P522,791 (2023 - P438,991; 2022 - P241,807).

The movements of right-of-use assets, presented under “Property and equipment” account in the consolidated statements of financial position and in Note 5, for the years ended December 31 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Cost | | |
| Balance at beginning of year | 1,512,142 | 1,017,753 |
| Additions | 1,124,258 | 827,318 |
| Expired leases | (376,053) | (332,929) |
| Balance at end of year | 2,260,347 | 1,512,142 |
| Accumulated amortization | | |
| Balance at beginning of year | 560,733 | 597,692 |
| Amortization | 452,376 | 295,970 |
| Expired leases | (366,489) | (332,929) |
| Balance at end of year | 646,620 | 560,733 |
| Net book value | 1,613,727 | 951,409 |

Expired leases pertain to the lease contracts wherein the right-of-use assets are already fully amortized, and the related lease liability is already fully paid as at and for the years ended December 31, 2024, and 2023.

The movements of lease liabilities for the years ended December 31 is as follows:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Balance at beginning of year | | 1,074,365 | 630,463 |
| Additions | | 1,124,258 | 827,318 |
| Interest expense | 20 | 95,017 | 55,575 |
| Payments | | (522,791) | (438,991) |
| Balance at end of year | | 1,770,849 | 1,074,365 |
| Current portion of lease liabilities | | 476,217 | 275,294 |
| Lease liabilities, net of current portion | | 1,294,632 | 799,071 |

i. ABLE Group entered into several lease agreements for office space, warehouse and spaces where ABLE Group’s sites conduct their bingo operations. The term of the lease agreements with various lessors varies from two (2) to five (5) years with escalation clauses ranging from 5% to 10%. The lease amounts are computed based on a fixed rate per square meter.

ii. FCLRC entered into 25-year lease agreements with the Municipality of Sta. Ana, Cagayan up to December 7, 2031, and with CEZA up to June 30, 2031, respectively, or until FCLRC serves as its Master Licensor. The lease amounts are computed on a fixed rate per square meter subject to 5% escalation every three years. FCLRC also entered into another lease contract for staff houses with a term of one (1) year.

iii. BCGLC and GCLWC entered into various lease agreements for its PAGCOR VIP Clubs where it conducts its operations. The lease agreements are renewable by mutual agreement of both parties generally under same terms and conditions. The lease period ranges from three (3) to seven (7) years with annual escalation clauses ranging from 5% to 10%.

iv. DigiPlus entered into several lease agreements for its office spaces. The term of the lease agreements with various lessors varies from three (3) to five (5) years with escalation ranging from 3% to 5%. The lease amounts are computed on a fixed rate per square meter.

v. TGXI entered into several lease agreements for the PeGS' locations renewable by mutual agreement of both parties generally under the same terms and conditions. The lease period ranges from one (1) to five (5) years with annual escalation clauses ranging from 3% to 10%.

vi. ABLGI entered into a 25-year lease agreement for a parcel of land in Sta. Cruz, Manila from January 1, 2015 to December 31, 2040. The lease amount is computed on a fixed rate per square meter subject to 5% escalation every two (2) years.

The lease agreements are non-cancellable and provide for, among others, rental deposits which are refundable upon termination of the lease. The rental deposits recognized in the consolidated statements of financial position as at December 31, 2024 amounted to P522,376 (2023 - P478,605) (Note 11).

Rent expense for the year ended December 31, 2024, amounting to P347,998 (2023 - P350,926; P2022 - P287,203), pertains to the expense from short-term and low-value leases (Note 17).

Maturity analysis of the undiscounted lease payments are as follows:

| | 2024 | 2023 |
|---|---|---|
| Within one year | 563,931 | 369,991 |
| Between one and five years | 1,220,723 | 709,453 |
| More than five years | 341,200 | 317,165 |
| | 2,125,854 | 1,396,609 |

*Group as lessor (finance leases)*

FCLRC subleases its lease contracts for land properties within Municipality of Sta. Ana, Cagayan and CEZA to locators under two (2) 9-year sublease agreements which commenced in January 2020.

For the year ended December 31, 2024, the Group recognized revenue from finance leases amounting to P9,843 (2023 - P6,622; 2022 - P215,684) (Note 20).

The movements of lease receivables for the years ended December 31 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at beginning of year | 193,480 | 207,542 |
| Finance lease income | 9,843 | 6,622 |
| Collections | (26,254) | (20,684) |
| Balance at end of year | 177,069 | 193,480 |
| Current portion of lease receivable | 69,557 | 66,967 |
| Lease receivable, net of current portion | 107,512 | 126,513 |

Minimum lease receivables as at December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Within one year | 27,568 | 26,255 |
| Between one and five years | 124,761 | 118,820 |
| More than five year | - | 33,509 |
| | 152,329 | 178,584 |

*Group as lessor (operating leases)*

a. As an authorized representative of Munich Management Limited, a foreign corporation duly organized and registered in British Virgin Islands, BCGLC entered into an agreement with the PAGCOR for the sublease of the slot machines owned by Entertainment Gaming (Philippines), Inc., including the proprietary system of linking and networking of individual units of slot machine within the PAGCOR Club - Leisure World Bacolor located at King's Royal Hotel and Leisure Park, Bacolor, Pampanga. The lease is for the period of three (3) years until June 30, 2016. The Company renewed the lease contract with PAGCOR until December 31, 2017. In November 2017, the lease contract was renewed until June 30, 2023 and further renewed until June 30, 2024 or upon exhaustion of the contract amount based on the income sharing scheme, whichever comes first.

   As a consideration, PAGCOR shall pay BCGLC monthly rent equivalent to a percentage of the slot machines' gross revenues after deducting the players' winnings/prizes and related taxes thereof.

b. LRLDI leases its investment properties under non-cancellable operating lease agreements. The leases are for a period ranging from two (2) to five (5) years with escalation rate ranging from 5% to 10%.

c. ABLGI leases its investment property for a period of twenty (20) years until December 31, 2034 with escalation rate of 3% every three years. The lessee may pre-terminate the lease agreement without obligation to pay termination costs.

In 2019, upon adoption of PFRS 16 for FCLRC and inception of the sublease contract for LRLDI, these subleases were classified as finance leases and the related ROU assets were derecognized. As at December 31, 2024, lease receivables amounted to P177,069 (2023 - P193,480).

Total rental income recognized in the consolidated statements of total comprehensive income amounted to P552,947 in 2024 (2023 - P475,937; 2022 - P385,225).

For the year ended December 31, 2024, revenue from sub-lease recognized in the consolidated statements of total comprehensive income amounts to P6,839 (2023 - P3,711; 2022 - P4,892).

## 19. Retirement benefits

The Group's actuarial valuations are obtained on a periodic basis. The retirement benefits are determined using the projected unit credit method.

The retirement benefits of ABLE are primarily based on the number of years of service of covered employees, as well as their fixed monthly salary. Effective January 1, 2022, the Group changed its retirement plan provisions. Under the provisions of the retirement plan, the mandatory retirement age is sixty-five (65), with at least five (5) years of service and the retirement benefit is equal to one half of final salary per year of credited service. The computation of the on-half month's salary shall be consistent with the definition set forth under the Republic Act 7641 or the Philippine Retirement Law.

Under the provisions of the retirement plan effective until December 31, 2021, the mandatory retirement age is sixty-five (65), with at least ten (10) years of service and the retirement benefit is equal to two hundred percent (200%) of the plan salary per year of credited service.

The Group's latest actuarial valuation reports are dated December 31, 2024. The following tables summarize the components of retirement expense for ABLE and FCLRC recognized in the consolidated statement of total comprehensive income:

Retirement expense

| | ABLE | | | FCLRC | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Current service cost | 9,634 | 5,217 | 3,783 | 187 | 153 | 225 | 9,821 | 5,370 | 4,008 |
| Past service income | - | - | (83,176) | - | - | (3,744) | - | - | (86,920) |
| Interest cost on defined benefit obligation | 4,141 | 3,690 | 2,224 | 125 | 109 | 119 | 4,266 | 3,799 | 2,343 |
| Settlement gain | - | - | (223) | - | - | (541) | - | - | (764) |
| Net retirement expense (income) | 13,775 | 8,907 | (77,392) | 312 | 262 | (3,941) | 14,087 | 9,169 | (81,333) |

The total retirement expense of ABLE and FCLRC for the year ended December 31, 2024, amounted to P14,087 (2023 - P9,169).

Changes in present value of defined benefit obligation

| | ABLE | | FCLRC | | TOTAL | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Present value of defined benefit obligation at beginning of year | 67,831 | 51,580 | 2,010 | 1,497 | 69,841 | 53,077 |
| Current service cost | 9,634 | 5,217 | 187 | 153 | 9,821 | 5,370 |
| Interest cost | 4,141 | 3,690 | 125 | 109 | 4,266 | 3,799 |
| Actuarial loss | 43,162 | 7,344 | 987 | 251 | 44,149 | 7,595 |
| Benefits paid | - | - | (392) | - | (392) | - |
| Present value of defined benefit obligation at end of year | 124,768 | 67,831 | 2,917 | 2,010 | 127,685 | 69,841 |

As at December 31, 2024, the total retirement benefits liability amounted to P127,685 (2023 - P69,841).

The movement in retirement benefits reserve taken up under other comprehensive income and consolidated statements of changes in equity are as follows:

| | ABLE | | | FCLRC | | | TOTAL | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 | 2024 | 2023 | 2022 |
| Remeasurement loss (gain) | | | | | | | | | |
| - on change in financial assumptions | 36,533 | 8,561 | (6,020) | 760 | 203 | (141) | 37,293 | 8,764 | (6,161) |
| - on experience adjustments | 6,629 | (1,217) | 1,334 | 227 | 48 | 800 | 6,856 | (1,169) | 2,134 |
| - on demographic assumptions | - | - | 7,464 | - | - | 305 | - | - | 7,769 |
| | 43,162 | 7,344 | 2,778 | 987 | 251 | 964 | 44,149 | 7,595 | 3,742 |

The principal assumptions used in determining defined benefit obligations for the Group's plans are shown below:

| | ABLE | | FCLRC | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Discount rate | 6.20% | 6.20% | 6.20% | 6.20% |
| Future salary increases | 7.00% | 5.00% | 7.00% | 5.00% |

The weighted average duration of defined benefit obligation is as follows:

| | ABLE | | FCLRC | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Average expected future service years | 5.4 | 5.7 | 11.5 | 11.1 |

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

| | ABLE | | FCLRC | |
|---|---|---|---|---|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| December 31, 2024 | | | | |
| Discount rate | (14,950) | 17,337 | (301) | 355 |
| Future salary growth | 16,871 | (14,868) | 346 | (299) |
| December 31, 2023 | | | | |
| Discount rate | (7,285) | 8,851 | (185) | 219 |
| Future salary growth | 8,869 | (7,430) | 220 | (188) |

Assumptions for mortality rate are based on the 2017 Philippine Intercompany Mortality Table. Assumptions for disability rates are based on the 2013 SSS Total Disability Rates (Baseline Scenario). Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

The defined benefit obligation is exposed to actuarial risks such as longevity risk and interest rate risk.

Funding

The Group does not have a formal retirement plan. Benefit claims under the retirement obligation are paid directly by the Group when they become due.

Asset-liability matching

The Group has no plan assets to match against liabilities under the retirement obligation.

Maturity analysis of the benefit payments is as follows:

| | Carrying amount | Contractual Cash flows | Within 1 year | Within 1-5 years | More than 5 years |
|---|---|---|---|---|---|
| As at December 31, 2024 | | | | | |
| ABLE | 124,768 | 1,719,479 | 3,437 | 13,508 | 1,702,534 |
| FCLRC | 2,917 | 13,590 | 369 | - | 13,221 |
| | 127,685 | 1,733,069 | 3,806 | 13,508 | 1,715,755 |
| As at December 31, 2023 | | | | | |
| ABLE | 67,831 | 610,370 | 3,024 | 10,674 | 596,672 |
| FCLRC | 2,010 | 11,130 | 615 | - | 10,515 |
| | 69,841 | 621,500 | 3,639 | 10,674 | 607,187 |

## 20. Finance income/finance expense/other income

Finance income for the years ended December 31 consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Interest income on receivables from TCAMI | 8 | 20,720 | 23,954 | 46,178 |
| Interest income on cash in banks and cash equivalents | 2 | 93,678 | 22,672 | 2,769 |
| Finance lease income | 18 | 9,843 | 6,622 | 215,684 |
| | | 124,241 | 53,248 | 264,631 |

Finance expense for the years ended December 31 consists of:

| | Notes | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| Interest expense on loans payable | 13 | 80,233 | 134,102 | 271,118 |
| Interest expense on lease liabilities | 18 | 95,017 | 55,575 | 95,988 |
| Others | | 1,914 | 7,586 | 9,599 |
| | | 177,164 | 197,263 | 376,705 |

Interest expense on loans payable includes amortization of transaction costs related to loan of ABLE with AUB and ABLGI with BDO. The Group recognized amortization of transaction costs amounting to P15,577 for the year ended December 31, 2024 (2023 - P6,147; 2022 - P10,205) (Note 13).

Other income, net for the years ended December 31 consists of:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Finance charges | (45,152) | (22,129) | (12,705) |
| Others, net | 870 | 118,894 | 41,731 |
| | (44,282) | 96,765 | 29,026 |

Others, net mainly consists of gain on reversal of liabilities that the Group determined as no longer payable based on Management's assessment.

## 21. Related party disclosures

The table below summarizes the Group's transactions and balances with its related parties as at and for the years ended December 31:

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| Nature of transaction | Terms and conditions | Amount of transaction | Outstanding receivables (payables) | Amount of transaction | Outstanding receivables (payables) |
| a) Advances | These pertain to cash advances provided by the Group to its related parties that are due and demandable, noninterest-bearing and to be settled in cash.<br><br>The advance to a stockholder is presented as current assets in the statements of financial position.<br><br>The advance to an individual stockholder is presented as part of receivables, net in the statements of financial position (Note 3). | | | | |
| *Stockholder* | | (488) | 156,335 | (333) | 156,823 |
| *Individual stockholder* | | - | 53,106 | - | 53,106 |
| | | (488) | 209,441 | (333) | 209,929 |
| b) Receivables and advances | Refer to Notes 3 and 7 for the details. | | | | |
| *Joint venture* | | - | 118,918 | 266 | 118,918 |
| *Associate* | | (18,092) | 58,067 | (10,968) | 76,159 |
| | | (18,092) | 176,985 | (10,702) | 195,077 |

Advances to stockholder consist mainly of advances for working capital requirements to Cyberpoint Holdings and Management Corporation (CHMC), a holding company.

All intra-group balances, transactions, including income and expenses and profits and losses resulting from intra-group transactions are eliminated. Intergroup balances and transactions before eliminations amounted to P21,987,036 in 2024 (2023 - P14,226,896).

All intragroup transactions are eliminated during consolidation are unsecured, noninterest-bearing and payable on demand. Related party transactions are to be settled in cash.

There are no collaterals held or guarantees issued with respect to related party transactions and balances.

For the years ended December 31, the details of key management and directors' compensation representing short-term benefits are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Salaries and employee benefits | 185,458 | 76,603 | 69,104 |
| Directors' fees | 16,100 | 9,144 | 6,547 |

## 22. Income taxes

The components of the Group's income tax expense (benefit) are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Current tax expense | 15,796 | 15,862 | 8,212 |
| Deferred tax expense (benefit) | 30,713 | 68,523 | (169,419) |
| | 46,509 | 84,385 | (161,207) |

The Group's income tax expense consists of the 25% regular corporate income tax and the 5% gross income tax on FCLRC and FCCDCI's operations with CSEZFP and LRLDI operations (Note 16).

Reconciliation between income tax expense (benefit) in the Group's profit or loss and the income tax computed at statutory income tax rate follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Income before income tax | 12,630,615 | 4,221,998 | 525,650 |
| Income tax (benefit) using statutory tax rate 25% | 3,157,654 | 1,055,500 | 131,413 |
| Additions to (reductions in) income taxes resulting from tax effects of: | | | |
| Non-deductible expenses | 8,061,189 | 1,839,125 | 2,463,737 |
| Income exempt from income tax | (11,151,408) | (2,747,718) | (2,584,473) |
| Change in deferred tax accounts | (30,591) | (68,523) | (195,846) |
| Equity in net loss of joint ventures | 11,594 | 7,668 | 24,510 |
| Interest income subject to final tax | (1,929) | (1,667) | (548) |
| | 46,509 | 84,385 | (161,207) |

The composition of recognized deferred tax liabilities of the Group as at December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Unrealized gain on changes in fair value of investment properties | 1,539,555 | 1,508,964 |
| Accrued rental income | 3,480 | 3,480 |
| Others | 262 | 262 |
| | 1,543,297 | 1,512,706 |

Movements of deferred tax liabilities for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| As at January 1 | 1,512,706 | 1,444,183 |
| Recognized in profit or loss | 30,591 | 68,523 |
| | 1,543,297 | 1,512,706 |

As at December 31, the Group's unrecognized deferred tax assets pertain to the following items:

| | 2024 | 2023 |
|---|---|---|
| NOLCO | 524,120 | 353,281 |
| Right-of-use assets | (111,433) | (58,144) |
| Lease liabilities | 122,566 | 68,420 |
| Allowance for impairment loss | 17,892 | 22,418 |
| Retirement benefits liability | 6,817 | 3,227 |
| Unrealized loss on foreign exchange differences | (7,849) | 2,153 |
| MCIT | 29 | 200 |
| Unearned revenue | 6,810 | 242 |
| | 558,952 | 391,797 |

Deferred tax assets were not recognized since management believes it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

The Group has incurred NOLCO which can be claimed as deduction from future taxable income. Details of which are shown below:

| Year incurred | Expiration | Amount | 2024 | 2023 |
|---|---|---|---|---|
| 2024 | 2027 | 683,356 | 683,356 | - |
| 2023 | 2026 | 358,305 | 358,305 | 358,305 |
| 2022 | 2025 | 403,809 | 403,809 | 403,809 |
| 2021 | 2026 | 311,119 | 311,119 | 311,119 |
| 2020 | 2025 | 339,892 | 339,892 | 339,892 |
| | | 2,096,481 | 2,096,481 | 1,413,125 |
| Expired | | | - | - |
| | | | 2,096,481 | 1,413,125 |

The details of MCIT which can be claimed as credit against future RCIT liabilities are as follows:

| Year incurred | Expiry date | Amount | 2024 | 2023 |
|---|---|---|---|---|
| 2022 | December 31, 2025 | 29 | 29 | 29 |
| 2021 | December 31, 2024 | 171 | 171 | 171 |
| 2020 | December 31, 2023 | 527 | - | 527 |
| | | | 200 | 727 |
| Expired | | | (171) | (527) |
| | | | 29 | 200 |

On April 23, 2013, the BIR issued Revenue Memorandum Circular (RMC) No. 33-2013 clarifying the taxability of PAGCOR, its contractees and licensees. Pursuant to Section 1 of Republic Act No. 9337, amending Section 27 (C) of the National Internal Revenue Code (NIRC), as amended, effective November 1, 2005, PAGCOR is no longer exempt from corporate income tax as it has been effectively omitted from the list of government-owned or controlled corporations that are exempt from income tax. Accordingly, PAGCOR and its contractees and licensees' income from its operations and licensing of gaming casinos, gaming clubs and other similar recreation or amusement places, gaming pools, and other related operations are subject to corporate income tax under the NIRC, as amended.

Until March 31, 2013, in accordance with PAGCOR's directives, ABLE continued to abide by the provisions of P.D. No. 1869 (as amended by R.A. No. 9487) whereby it pays the 5% franchise tax.

On July 9, 2013, a memorandum was issued by PAGCOR to all its bingo contractees and grantees clarifying that they are no longer subject to the 5% franchise tax, and are subject to the corporate income tax, instead. In compliance with the said RMC, ABLE has changed to corporate income tax as its basis for determining the tax expense starting second quarter of 2013.

On December 10, 2014, a resolution in favor of PAGCOR was rendered by the Supreme Court regarding the change from franchise tax to corporate income tax. The resolution pertains only to PAGCOR and not to its grantees and contractees.

The Group made legal opinion on the implications of the Supreme Court's decision in the case of Bloomberry Resorts and Hotels, Inc. vs. Bureau of Internal Revenue in relation to the contract entered by PIKI, BCGLC and HEPI with PAGCOR. These components of the Group are duly organized and existing under the laws of the Philippines having existing agreements with PAGCOR.

The Group determined its income taxes on these components on the premise that the results from casino operations are no longer subject to regular income taxes in pursuant to Sec 13(2) of Presidential Decree 1869 (PAGCOR Charter) which states that "the five (5%) percent franchise tax of the gross revenue or earnings derived by PAGCOR and all its contractees and licensees shall be due and payable quarterly to the National Government and shall be in lieu of all kinds of taxes, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority".

The Group assessed that it is exempt from the corporate income tax on these components pursuant to the Supreme Court's decision to a tax case which categorically held PAGCOR and its contractees and licensees exempt from the payment of corporate income tax and other taxes.

Effective January 1, 2018, in accordance with the Amendments to the Regulatory Manual issued by PAGCOR on April 6, 2018, ABLE and its subsidiaries, as a licensee of PAGCOR, is exempt from all taxes and is only subject to 5% franchise tax on revenues from gaming operations pursuant to Presidential Decree No. 1869, as amended by R.A. No. 9487.

Franchise tax on revenues from gaming operations included in "Franchise fees and taxes" account in the consolidated statement of total comprehensive income amounted to P33,513,273 in 2024 (2023 - P12,970,440; 2022 - P4,598,518) (Note 15).

**23. Segment information**

For purposes of management reporting, the Group is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit. Such business segments are the bases upon which the Group reports its primary segment information.

The Group operates in four (4) reportable business segments namely: the network and license group, casino group, retail group and investment group, and only one (1) reportable geographical segment which is the Philippines. The description of the reportable segments are as follows:

Retail

The retail segment consists largely of venues providing amusements and recreation to the public in such forms as, but not limited to, bingo games, electronic games, specialty games and poker.

Casino

The casino group is involved in arcade leasing.

Network and license

The network and license segment's primary activity are licensing of operators engaged in interactive gaming, as well as the establishment and setup of all the gaming infrastructures required in connection with the development, operation and conduct of internet server, telecommunication network, gaming enterprises, and other systems facilities.

Property and investments

The property segment is engaged in leasing of parcels of land and building space to third parties and other investment activities.

Analysis of financial information by business segment in 2024 is as follows:

| | Retail Group | Casino Group | Network and License Group | Property and Other Investments | Corporate | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | 74,256,379 | 497,101 | 424,145 | 45,523 | - | - | 75,223,148 |
| Cost and operating expenses | (59,180,995) | (290,816) | (318,276) | (89,440) | (1,405,174) | - | (61,284,701) |
| EBITDA | 15,075,384 | 206,285 | 105,869 | (43,917) | (1,405,174) | - | 13,938,447 |
| Depreciation and amortization | (658,680) | (266,208) | (119,039) | (1,562) | (24,112) | - | (1,069,601) |
| Finance expense | (109,892) | (13,181) | (21,788) | (27,759) | (4,544) | - | (177,164) |
| Unrealized gains on changes in fair values of investment properties, net | - | - | 665 | 141,476 | - | - | 142,141 |
| Impairment loss on financial assets | - | (71,569) | - | - | - | - | (71,569) |
| Impairment loss on non-financial assets | (15,499) | - | - | (1,253) | - | - | (16,752) |
| Equity in net earnings (loss) of a joint venture | - | - | - | - | (46,374) | - | (46,374) |
| Reversal of probable losses | 2,504 | 3,135 | - | 1,000 | - | - | 6,639 |
| Finance income | 85,651 | 86 | 10,084 | 20,773 | 7,647 | - | 124,241 |
| Foreign exchange (loss) gain, net | (117,735) | 2,290 | (7,987) | (29,760) | (1,915) | - | (155,107) |
| Other income (expense), net | (44,187) | 1,135 | (263) | (158) | 13,136,187 | (13,137,000) | (44,286) |
| Income tax | - | (4,839) | (5,285) | (36,385) | - | - | (46,509) |
| Net income | 14,217,546 | (142,866) | (37,744) | 22,455 | 11,661,715 | (13,137,000) | 12,584,106 |
| Other information as at December 31, 2024 | | | | | | | |
| Total assets | 8,539,784 | 327,129 | 2,615,272 | 7,596,182 | 29,106,058 | (4,039,538) | 44,144,887 |
| Total liabilities | 9,095,752 | 843,598 | 1,312,508 | 2,973,869 | 195,593 | (1,556,179) | 12,865,141 |
| Capital expenditures | 2,573,661 | 305,059 | 1,079,804 | 1,438 | 52,739 | - | 4,012,701 |

Analysis of financial information by business segment in 2023 is as follows:

| | Retail Group | Casino Group | Network and License Group | Property and Other Investments | Corporate | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | 26,394,164 | 426,051 | 354,242 | 76,594 | - | - | 27,251,051 |
| Cost and operating expenses | (21,542,535) | (230,381) | (238,062) | (100,367) | (362,129) | - | (22,473,474) |
| EBITDA | 4,851,629 | 195,670 | 116,180 | (23,773) | (362,129) | - | 4,777,577 |
| Depreciation and amortization | (273,611) | (171,437) | (27,803) | (4,285) | (16,296) | - | (493,432) |
| Finance expense | (122,465) | (7,036) | (13,645) | (50,298) | (3,819) | - | (197,263) |
| Unrealized gains on changes in fair values of investment properties, net | - | - | 665 | 131,152 | - | - | 131,817 |
| Impairment loss on financial assets | - | (89,673) | (7,072) | - | - | - | (96,745) |
| Impairment loss on non-financial assets | (53,702) | (1,878) | (143) | - | - | - | (55,723) |
| Equity in net earnings (loss) of a joint venture | - | - | 1,689 | - | (30,670) | (1,689) | (30,670) |
| Provision for probable losses | (3,000) | - | - | - | - | - | (3,000) |
| Finance income | 19,913 | 48 | 10,981 | 22,033 | 273 | - | 53,248 |
| Foreign exchange loss, net | (18,285) | 7,405 | (373) | 7,155 | 762 | - | (3,336) |
| Other income (expense), net | 87,202 | 778 | 3,496 | 5,487 | 7,199,802 | (7,200,000) | 96,765 |
| Income tax | (8) | (3,858) | (5,102) | (75,417) | - | - | (84,385) |
| Net income | 4,487,673 | (69,981) | 78,873 | 12,054 | 6,787,923 | (7,201,689) | 4,094,853 |
| | | | | | | | |
| Other information as at December 31, 2023 | | | | | | | |
| Total assets | 4,526,431 | 434,040 | 2,651,877 | 8,697,011 | 17,456,406 | (4,050,852) | 29,714,913 |
| Total liabilities | 7,100,682 | 805,064 | 1,290,144 | 2,923,226 | 180,434 | (1,510,287) | 10,789,263 |
| Capital expenditures | 561,605 | 703,603 | 622,509 | 1,207 | 65,783 | - | 1,954,707 |

Analysis of financial information by business segment in 2022 is as follows:

| | Retail Group | Casino Group | Network and License Group | Property and Other Investments | Corporate | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | 8,163,770 | 341,251 | 356,595 | 43,974 | - | - | 8,905,590 |
| Cost and operating expenses | (7,169,270) | (188,505) | (247,161) | (44,711) | (248,817) | - | (7,898,464) |
| EBITDA | 994,500 | 152,746 | 109,434 | (737) | (248,817) | - | 1,007,126 |
| Depreciation and amortization | (200,624) | (146,196) | (22,800) | (3,595) | (2,612) | - | (375,827) |
| Finance expense | (116,774) | (18,738) | (6,690) | (225,819) | (8,684) | - | (376,705) |
| Unrealized gains on changes in fair values of investment properties, net | - | - | 2,230 | 295,542 | - | - | 297,772 |
| Impairment loss on financial assets | (24,225) | (83,497) | - | - | (10,793) | - | (118,515) |
| Impairment loss on non-financial assets | (5,382) | - | (832) | (2,464) | 23 | - | (8,655) |
| Equity in net earnings of a joint venture | - | - | (19,625) | - | (48,058) | 19,625 | (48,058) |
| Provision for probable losses | - | - | - | - | (18,803) | - | (18,803) |
| Finance income | 442 | 32 | 207,440 | 48,392 | 61 | - | 256,367 |
| Foreign exchange loss, net | (5,469) | (3,855) | (2,222) | (114,670) | (174) | - | (126,390) |
| Other income (expense), net | (10,046) | 42,889 | (2,524) | (42) | 7,061 | - | 37,338 |
| Income tax | - | (1,446) | (4,166) | 166,819 | - | - | 161,207 |
| Net income | 632,422 | (58,065) | 260,245 | 163,426 | (330,796) | 19,625 | 686,857 |

| Other information as at December 31, 2022 | Retail Group | Casino Group | Network and License Group | Property and Other Investments | Corporate | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|
| Total assets | 2,644,296 | 1,623,276 | 2,504,368 | 14,668,524 | 8,588,998 | (9,081,157) | 20,948,305 |
| Total liabilities | 2,517,178 | 1,804,411 | 2,825,142 | 8,960,797 | 31,546 | (8,197,493) | 7,941,581 |
| Capital expenditures | 105,053 | 18,403 | 929 | 3,340 | 5,514 | - | 133,239 |

There were no intersegment sales recognized among reportable segments in 2024, 2023 and 2022. Unallocated corporate expenses consist of net operating expenses of the Parent Company. Assets of the individual segments mainly comprise investments and advances, due from related parties, property and equipment, and trade receivables. Liabilities of the individual segments include loans payable, trade and other payables, retirement benefits liability, and due to related parties. Capital expenditures on noncurrent assets represent additions to property and equipment and investment properties. Noncash expenses pertain to depreciation and amortization expense attributable to reportable segments.

EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expenses such as impairment loss. The Group evaluates 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.

## 24. Contingencies

The Group currently has several tax assessments and legal cases. The Group's estimate of the probable costs for the resolution of these assessments has been developed in consultation with external legal counsel handling these matters and is based on an analysis of potential results. The Group currently does not believe that these tax assessments and legal cases will have a material adverse effect on its consolidated statement of financial position and consolidated statement of financial performance. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.

## 25. Critical accounting estimates and assumptions

*Use of estimates and judgment*

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements. However, uncertainty about these estimates, judgments and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Actual results may differ from these estimates, judgments and assumptions.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the estimates and judgments are revised and in any future periods affected.

Information about critical judgments and estimates in applying accounting policies that have the most significant effects on the amounts recognized in the Group's consolidated financial statements is as follows:

### 25.1 Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

*Determination of lease term of contracts with renewal and termination options - Group as a lessee*

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group did not include any renewal and termination options in determining the lease term as significant number of the lease agreements can be renewed only upon mutual agreement by both parties.

*Determination and classification of joint arrangement*

The Group determines a joint arrangement in accordance with its control over the entity or joint operations rather than its legal form. The Group's investments in joint venture is structured in a separate incorporated entity. The joint venture agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements. The Group has determined its involvement in joint arrangement and determined that its investment is classified as joint venture.

Although the Group has 51% ownership in HEPI, the shareholders' agreement provides for equal representation in the BOD and joint control over the joint venture.

*Distinction between investment property and property and equipment*

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by the Group. Property and equipment generate cash flows that are attributable not only to property but also to the other assets used for administrative purposes and rendition of services.

If the portion cannot be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgment. The Group has determined that the land, land improvements and building are investment properties.

*Recoverability of property and equipment and right-of-use asset*

The Group assesses impairment of property and equipment and right-of-use assets whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

Based on the assessment, the Group assessed that the carrying amount of property and equipment as at and for the years ended December 31, 2024 and 2023 are fully recoverable. The carrying value of the Group's property and equipment and right-of-use asset amounted to P5,290,596 as at December 31, 2024 (2023 - P3,519,336) (Note 5).

*Recoverability of investment in joint venture*

The Group assesses recoverability of investments in joint venture whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The factors that the Group consider important, which could trigger an impairment review include the following:

- a downgrade of joint venture's credit rating or a decline in the fair value of the associate or joint venture in consideration of other available information
- significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the joint venture operates

The COVID-19 pandemic significantly affected HEPI's operations and substantially reduced the of guests and reduced room rates in its hotels, consequently impacting Group's share in net losses of HEPI. In 2024 and 2023, with the ease of quarantine restrictions, HEPI shown recovery in terms of reduced net losses.

Based on the assessment, the Group assessed that the investment in joint venture as at and for the years ended December 31, 2024, and 2023 is not impaired. The carrying value of the Group's investment in HEPI amounted to P1,445,258 as at December 31, 2024 (2023 - P1,491,632) (Note 7).

### 25.2 Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Fair value of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent valuation specialists to determine the fair value. For the investment properties, the appraisers used a valuation technique based on comparable market data available for such property.

The fair values of the investment properties were arrived at using the market comparison approach for land, income approach for buildings and cost approach for land improvements.

The key assumptions used to determine the fair value of these properties are provided in Note 6.

Investment properties amounted to P11,217,011 as at December 31, 2024 (2023 - P11,074,870). Unrealized gains on changes in fair values of investment properties recognized in profit or loss amounted to P142,141 in 2024 (2023 - P131,817 gain; 2022 - P297,772 gain) (Note 6).

*Impairment of goodwill*

Goodwill is tested for impairment annually. Determining the net recoverable amount of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment losses could have a material adverse impact on the results of operations.

The impairment testing of goodwill utilized significant unobservable inputs (Level 3) to determine the VIU.

The Group performs impairment testing of goodwill annually. The recoverable amount of the cash generating units containing the goodwill is based on the VIU which is determined on discounting the future cash flows to be generated from the continuing use of the cash generating units. As at December 31, 2024 and 2023, the carrying amounts of goodwill amounted to P1,329,092 (Note 10).

*Expected credit loss - Receivables*

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using expected credit losses (ECLs). ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgments.

The Group also evaluates specific account of customers and other counterparties who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to, the debtor's payment history and the result of the Group's follow-up action to recover overdue debts.

Any change in the Group's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

As at December 31, 2024, the Group recognized an allowance for impairment of receivables amounting to P758,954 (2023 - P687,385). Management believes that the recorded allowance is sufficient to cover the receivables that are impaired and assessed to be uncollectible.

*Leases - Estimating the incremental borrowing rate (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 right-of-use 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. 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 P1,770,849 as at December 31, 2024 (2023 - P1,074,365) (Note 18).

*Estimating retirement benefits liability*

The cost of defined benefit pension plans and other postemployment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

As at December 31, 2024, retirement benefits liability amounted to P127,685 (2023 - P69,841) (Note 19).

*Estimating realizability of deferred tax assets*

The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group also reviews the expected timing and tax rates upon reversal of the temporary differences and adjusts the impact of deferred tax accordingly. The Group's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Group's past results and future expectations on revenues and expenses. The Group's unrecognized deferred tax assets amounted to P558,952 in 2024 (2023 - P391,797) (Note 22).

## 26. Financial risk and capital management objectives and policies

### 26.1 Financial risk management objectives and policies

The Group has exposure to the following risks from its use of financial instruments:

- *Credit risk*
- *Liquidity risk*
- *Market risk*

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital

The main purpose of the Group's dealings in financial instruments is to fund their respective operations and capital expenditures. The Group is not actively engaged in the trading of financial assets for speculative purposes, nor does it write options.

The Board of Directors of the Group holds overall responsibility for the company's risk management policy. To ensure robust oversight, the Board has established the Board Risk Oversight Committee (BROC), which is responsible for supervising and continuously evaluating the effectiveness and adequacy of the company's Enterprise Risk Management (ERM) framework.

To support this function, the Management Risk Oversight Committee (MROC) is tasked with identifying, assessing, mitigating, and monitoring risks that may impact the Group's strategic, financial, operational, and compliance objectives. The MROC regularly reports its risk assessments and mitigation efforts to the BROC, ensuring alignment, transparency, and an integrated approach to risk governance across the organization.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and forecasted results.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Group's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the Group's financial statements and financial reporting process and the Group's systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the Group's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance by the Group with legal and regulatory requirements, including the Group's disclosure control and procedures; and e) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review the reports required to be included in the Group's annual report. The results of procedures performed by Internal Audit are reported to the Audit Committee. On the other hand, the Audit Committee reports all the issues identified over the financial reporting of the Group to the BOD on a regular basis.

### 26.2 Credit risk

Credit risk represents the risk of loss the Group would incur if customers and counterparties fail to perform their contractual obligations. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk. Further, the Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Financial information on the Group’s maximum exposure to credit risk as at December 31, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Cash and cash equivalents | 2 | 13,563,969 | 4,162,046 |
| Receivables, current portion, net | 3 | 4,589,278 | 2,523,382 |
| Receivables, non-current portion, net | 8 | 368,044 | 397,324 |
| Advances | 7 | 1,219,730 | 1,211,220 |
| Lease receivables | 18 | 177,069 | 193,480 |
| Rental deposits | 11 | 522,376 | 478,605 |
| Cash performance bonds | 11 | 487,915 | 449,382 |
| Performance cash deposits | 11 | 33,200 | 33,700 |
| Due from related parties | 21 | 156,335 | 156,823 |
| | | 21,117,916 | 9,605,962 |

Cash and cash equivalents exclude cash on hand and pay out fund amounting to P413,465 as at December 31, 2024 (2023 - P102,192).

*Cash and cash equivalents*

The management evaluates the financial condition of the banking industry and bank deposits/investments are maintained with reputable banks only.

*Receivables and advances*

Majority of the Group’s credit risk on receivables is attributed to its internet gaming licensing activities influenced mainly by the individual characteristics of each customer and noninterest-bearing advances made to entities with similar operations. The demographics of the Group’s customer base, including the default risk of the industry and regions in which customers operate, has an influence on credit risk.

The BOD has established a credit policy under which each new advanced amount requested by customer/counterparties within the same gaming industry is analyzed individually for creditworthiness before standard credit terms and conditions are granted. The Group’s review includes the requirements of updated credit application documents, credit verifications through the use of no negative record requests and list of blacklisted accounts, and analyses of financial performance to ensure credit capacity. The status of each account is first checked before advances are approved.

Most of the Group’s customers have been transacting with the Group for several years, and losses have occurred from time to time. Results of credit reviews are grouped and summarized according to credit characteristics, such as aging profiles and credit violations.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The Group has recognized allowance for impairment losses on receivables and advances amounting to P1,202,016 as at December 31, 2024 (2023 - P1,130,447) (Notes 3 and 7).

As at reporting date, there were no significant concentrations of credit risk.

*Rental deposits*

The management prefers well known business establishments in the selection of location for bingo operations to ensure profitable operations and recovery of the rental and other deposits upon termination of the lease agreements.

*Cash performance bonds/performance cash deposits and betting credit funds*

The Group's exposure to credit risk is negligible as PAGCOR has sufficient funds to settle these upon the expiration of the respective license agreements.

*Due from related parties*

The Group limits its exposure to credit risk by only financing the operations of related parties that have viable operations and likewise engaged in gaming amusement activities.

The most significant amount of due from related parties of the Group are the advances to BLRI and HEPI, an associate and a joint venture, respectively, of the Parent Company.

*Aging analysis*

Set out below is the aging of financial assets as at December 31:

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Current | 30 days | 60 days | 90 days and above | ECL | Total |
| Cash and cash equivalents | 13,563,969 | - | - | - | - | 13,563,969 |
| Receivables, current portion, net | 5,348,232 | - | - | - | (758,954) | 4,589,278 |
| Receivables, non-current portion, net | 368,044 | - | - | - | - | 368,044 |
| Advances | 1,403,281 | - | - | - | (183,551) | 1,219,730 |
| Lease receivables | 177,069 | - | - | - | - | 177,069 |
| Rental deposits | 522,376 | - | - | - | - | 522,376 |
| Cash performance bonds | 487,915 | - | - | - | - | 487,915 |
| Performance cash deposits | 33,200 | - | - | - | - | 33,200 |
| Due from related parties | 156,335 | - | - | - | - | 156,335 |
| Financial assets at FVOCI | 62,329 | - | - | - | - | 62,329 |
| | 22,122,750 | - | - | - | (942,505) | 21,180,245 |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Current | 30 days | 60 days | 90 days and above | ECL | Total |
| Cash and cash equivalents | 4,162,046 | - | - | - | - | 4,162,046 |
| Receivables, current portion, net | 3,210,767 | - | - | - | (687,385) | 2,523,382 |
| Receivables, non-current portion, net | 397,324 | - | - | - | - | 397,324 |
| Advances | 1,394,771 | - | - | - | (183,551) | 1,211,220 |
| Lease receivables | 193,480 | - | - | - | - | 193,480 |
| Rental deposits | 478,605 | - | - | - | - | 478,605 |
| Cash performance bonds | 449,382 | - | - | - | - | 449,382 |
| Performance cash deposits | 33,700 | - | - | - | - | 33,700 |
| Due from related parties | 156,823 | - | - | - | - | 156,823 |
| Financial assets at FVOCI | 67,578 | - | - | - | - | 67,578 |
| | 10,544,476 | - | - | - | (870,936) | 9,673,540 |

*Credit risk under general and simplified approach*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | General Approach | | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| Cash and cash equivalents | 13,563,969 | - | - | - | 13,563,969 |
| Receivables, current portion, net | - | - | - | 4,589,278 | 4,589,278 |
| Receivables, non-current portion, net | - | - | - | 368,044 | 368,044 |
| Advances | 1,219,730 | - | - | - | 1,219,730 |
| Lease receivables | - | - | - | 177,069 | 177,069 |
| Rental deposits | 522,376 | - | - | - | 522,376 |
| Cash performance bonds | 487,915 | - | - | - | 487,915 |
| Performance cash deposits | 33,200 | - | - | - | 33,200 |
| Due from related parties | 156,335 | - | - | - | 156,335 |
| Financial assets at FVOCI | 62,329 | - | - | - | 62,329 |
| | 16,045,854 | - | - | 5,134,391 | 21,180,245 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | General Approach | | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| Cash and cash equivalents | 4,162,046 | - | - | - | 4,162,046 |
| Receivables, current portion, net | - | - | - | 2,523,382 | 2,523,382 |
| Receivables, non-current portion, net | - | - | - | 397,324 | 397,324 |
| Advances | 1,211,220 | - | - | - | 1,211,220 |
| Lease receivables | - | - | - | 193,480 | 193,480 |
| Rental deposits | 478,605 | - | - | - | 478,605 |
| Cash performance bonds | 449,382 | - | - | - | 449,382 |
| Performance cash deposits | 33,700 | - | - | - | 33,700 |
| Due from related parties | 156,823 | - | - | - | 156,823 |
| Financial assets at FVOCI | 67,578 | - | - | - | 67,578 |
| | 6,559,354 | - | - | 3,114,186 | 9,673,540 |

*Simplified approach*

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix) as of December 31:

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Days past due | | | | | |
| | Current | <30 days | 30-90 days | More than 90 days | Credit impaired | Total |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 100% | |
| Estimated total gross carrying amount at default | 2,747,306 | 674,954 | 491,914 | 1,220,217 | 758,954 | 5,893,345 |
| Expected credit loss | - | - | - | - | (758,954) | (758,954) |
| | 2,747,306 | 674,954 | 491,914 | 1,220,217 | - | 5,134,391 |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Days past due | | | | | |
| | Current | <30 days | 30-90 days | More than 90 days | Credit impaired | Total |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 100% | |
| Estimated total gross carrying amount at default | 2,526,763 | 21,080 | 41,077 | 525,266 | 687,385 | 3,801,571 |
| Expected credit loss | - | - | - | - | (687,385) | (687,385) |
| | 2,526,763 | 21,080 | 41,077 | 525,266 | - | 3,114,186 |

### 26.3 Liquidity risk

Liquidity risk pertains to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury and cash management functions of the Group are centralized. Management has placed controls and procedures to closely monitor the Group's existing obligations. Additionally, the Group has also been negotiating with lenders to restructure and extend its term loans, renewing and obtaining additional credit lines, negotiating new payment terms with some suppliers and lessors, and implementation of its business continuity plan to ensure that sufficient cash is maintained to cover working capital requirements.

In addition, the Group has an omnibus line of credit with a number of Philippine banks consisting of commitments for short term loans, letters of credit and documents against acceptances/documents against payment (DA/DP) facilities trust receipts. As at December 31, 2024 and 2023, there are no commitments and amounts drawn under the line of credit. All facilities under the omnibus line bear interest at floating rates consisting of a margin over current Philippine treasury rates (Note 13).

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements of the Group:

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | 6 months or less | 6-12 months | More than 1 year |
| Trade and other payables | 5,147,797 | 5,147,797 | 5,147,797 | - | - |
| Short-term and long-term loans payable | 733,781 | 733,781 | 733,781 | - | - |
| Lease liabilities | 1,770,849 | 2,125,854 | 281,966 | 281,966 | 1,561,922 |
| Deposits | 85,782 | 85,782 | - | 3,486 | 82,296 |
| | 7,738,209 | 8,093,214 | 6,163,544 | 285,452 | 1,644,218 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | 6 months or less | 6-12 months | More than 1 year |
| Trade and other payables | 4,121,271 | 4,121,271 | 4,121,271 | - | - |
| Short-term and long-term loans payable | 1,887,807 | 1,903,384 | 823,961 | 210,000 | 869,423 |
| Lease liabilities | 1,074,365 | 1,396,609 | 137,647 | 137,647 | 1,121,315 |
| Deposits | 83,770 | 83,770 | - | 3,503 | 80,267 |
| | 7,167,213 | 7,505,034 | 5,082,879 | 351,150 | 2,071,005 |

Trade and other payables as at December 31 exclude the following:

| | 2024 | 2023 |
|---|---|---|
| Payable to: | | |
| PAGCOR | 1,584,270 | 1,319,319 |
| Government agencies | 1,065,743 | 97,248 |
| CEZA | 9,740 | 11,670 |
| Contract liabilities | 796,342 | 597,008 |
| Provision for probable losses | 1,394 | 16,233 |
| Output VAT | 511 | 414 |
| | 3,458,000 | 2,041,892 |

The Group expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months.

### 26.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to various market risks, including risks from changes in prices, interest rates, currency exchange rates and equity price risk.

The Group minimizes its exposure to risks in changes in rental rates by entering into contracts with lessors with fixed rent commitment for the contract duration.

*Foreign currency risk*

The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than the Philippine peso, mostly in U.S. dollar ($). In respect of monetary assets and liabilities held in currencies other that the Philippine peso, the Group ensures that its exposure is kept to an acceptable level, by buying foreign currencies at spot rates where necessary to address short-term imbalances.

The Group's exposure to foreign currency risk based on notional amounts is as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | In USD | In PHP | In USD | In PHP |
| Cash in banks | 2,010 | 116,279 | 1,177 | 65,170 |
| Trade receivables | - | - | 11,218 | 621,141 |
| Rental deposits | 400 | 23,140 | 400 | 22,148 |
| Trade and other payables | (6,969) | (403,157) | (17,975) | (995,276) |
| Net (liabilities) assets | (4,559) | (263,738) | (5,180) | (286,817) |

The exchange rate used to translate the net assets in foreign currency as at December 31, 2024 is P57.85. (2023 - P55.37).

The Group's foreign exchange loss for the years ended December 31 are as follows:

| | 2024 | 2023 | 2022 |
|---|---|---|---|
| Realized loss | (123,710) | (11,947) | (7,540) |
| Unrealized gain (loss) | (31,397) | 8,611 | (118,850) |
| | (155,107) | (3,336) | (126,390) |

*Sensitivity analysis*

A 2% weakening of the Philippine peso against the US dollars would have decreased equity and net income by P5,275 (2023 - decreased equity and net income by P5,736).

A 2% strengthening of the Philippine peso against the US dollars as at December 31, 2024 and 2023 would have had the equal but opposite effect, on the basis that all other variables remain constant.

*Interest rate risk*

The Group's exposure to changes in interest rates relate primarily to the Group's short-term and long-term debt obligations.

Management is tasked to minimize interest rate risk through having a mix of variable and fixed interest rates on its loans. Presently, the Group's short-term and long-term bank loans are market-determined, with the long-term loan interest rates based on PSDT-R2 plus a certain mark-up. The Group has not entered into interest rate swaps and options during 2024 and 2023.

The sensitivity to a reasonably possible change in interest rates with all other variables held constant of the Group's profit before tax for the years ended December 31 follows:

| Change in interest rates (in basis points) | 2024 | 2023 |
|---|---|---|
| 300bp rise | (27,614) | (56,604) |
| 225bp rise | (20,710) | (42,453) |
| 300bp fall | 27,614 | 56,604 |
| 225bp fall | 20,710 | 42,453 |

100 basis point is equivalent to 1%.

There is no other impact on the Group's equity other than those affecting the profit or loss.

*Equity price risk*

Equity price risk is such risk where the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks.

The management strictly monitors the movement of the share prices pertaining to its investments. The Group is exposed to equity securities price risk because of investments held by the Group, which are classified in the consolidated financial position as financial asset at FVOCI (Note 9).

The effect on equity, as a result of a possible change in the fair value of Group's financial asset at FVOCI as at December 31, that could be brought by changes in equity indices with all other variables held constant, are as follows:

| Change in interest rates (in basis points) | 2024 | 2023 |
|---|---|---|
| Increase by 10% | 6,233 | 6,758 |
| Increase by 5% | 3,116 | 3,379 |
| Decrease by 10% | (6,233) | (6,758) |
| Decrease by 5% | (3,116) | (3,379) |

*Fair values*

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

*Cash/Receivables/Due from Related Parties/Rental Deposits/Cash Performance Bonds/Performance Cash Deposits and Betting Credit Funds/Trade and Other Payables/Due to a Related Party/Deposits/Short-term Loans Payable*

The carrying amounts of cash, receivables, due from related parties, trade and other payables, due to a related party and short-term loans payable approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of rental deposits, cash performance bonds, performance cash deposits and betting credit funds and deposits approximate their fair values as management believes that the effect of discounting cash flows from these instruments is not significant.

*Non-current receivable*

The fair value is based on the discounted value of future cash flows using the applicable risk-free rates. The fair value is under Level 3 of the fair value hierarchy.

*Long-term loans payable*

Long-term loans are reported at their present values, which approximate the cash amounts that would fully satisfy the obligations as at reporting date. The carrying amount approximates fair value since the interest rates are repriced frequently. These are classified as current liabilities when they become payable within a year.

*Financial assets at FVOCI*

The fair value of the FVOCI is based on the quoted market price of the investment in equity as at December 31, 2024 and 2023. The fair value is under Level 1 of the fair value hierarchy.

## 26.5 Capital management

The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD monitors the return on capital, which the Group defines as income before income tax divided by total average shareholders' equity. The BOD also monitors the level of dividends to shareholders.

| | 2024 | 2023 |
|---|---|---|
| Profit before income tax | 12,630,615 | 4,179,238 |
| Total average equity | 25,102,698 | 15,966,186 |
| | 50.32% | 26.18% |

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group defines capital as equity, which includes capital stock, additional paid-in capital and retained earnings. There were no changes in the Group's approach to capital management as at December 31, 2024 and 2023.

## 27. Notes to consolidated statement of cash flows

The changes in the Group's liabilities arising from financing activities are as follows:

| December 31, 2024 | Notes | January 1, 2024 | Cash flows | Non-cash changes | December 31, 2024 |
|---|---|---|---|---|---|
| Short term loans | 13 | 1,000 | (1,000) | - | - |
| Long term loans | 13 | 1,886,807 | (1,200,000) | 46,974 | 733,781 |
| Lease liabilities | 18 | 1,074,365 | (522,791) | 1,219,275 | 1,770,849 |
| Total liabilities from financing activities | | 2,962,172 | (1,723,791) | 1,266,249 | 2,504,630 |
| December 31, 2023 | | | | | |
| Short term loans | 13 | 116,739 | (115,739) | - | 1,000 |
| Long term loans | 13 | 3,160,901 | (1,250,000) | (24,094) | 1,886,807 |
| Lease liabilities | 18 | 630,463 | (438,991) | 882,893 | 1,074,365 |
| Total liabilities from financing activities | | 3,908,103 | (1,804,730) | 858,799 | 2,962,172 |

The non-cash changes are disclosed in the specific notes.

## 28. Summary of material accounting policies

### 28.1 Basis of preparation and presentation

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

- Certain financial assets carried at FVOCI; and
- Investment properties carried at fair value

The consolidated financial statements are presented in Philippine Peso, the Group's functional and presentation currency. All values are rounded to the nearest thousands (000), except when otherwise indicated.

<u>Statement of compliance</u>

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards;
- PAS Standards; and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 25.

### 28.2 Changes of accounting policies and disclosures

*New standards, amendments and interpretations adopted by the Group*

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following amended standards as at January 1, 2024. The Group has not early adopted any other pronouncement that has been issued but is not yet effective. Unless otherwise indicated, the adoption of the amended standards does not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

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

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

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

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

  The amendments had no impact on the Group's consolidated financial statements because the Group does not have any sale and leaseback transactions.

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

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

  The amendments had no impact on the Group's consolidated financial statements because the Group does not have any supplier finance arrangements.

*New and amended standards not yet adopted by the Company*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for January 1, 2025 reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

## 28.3 Basis of consolidation

*Subsidiaries*

The consolidated financial statements include the financial statements of DigiPlus and its subsidiaries as at December 31 each year and for the years then ended. The Group controls an investee if and only if the Group has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

*Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

*Disposal of a subsidiary*

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Group surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

The consolidated financial statements include the financial statements of the Group and the following subsidiaries as at December 31, 2024 and 2023:

| Subsidiaries | Percentage of ownership 2024 | 2023 | Country of incorporation |
|---|---|---|---|
| AB Leisure Exponent, Inc. (ABLE) and subsidiaries | 100 | 100 | Philippines |
| AB Leisure Global, Inc. (ABLGI) | 100 | 100 | Philippines |
| LR Land Developers, Inc. (LRLDI) | 100 | 100 | Philippines |
| Prime Investment Korea, Inc. (PIKI)* | 100 | 100 | Philippines |
| Total Gamezone Xtreme Incorporated (TGXI) | 100 | 100 | Philippines |
| Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI)** | 100 | - | Philippines |
| Diginvest Holdings Inc. (Diginvest) | 100 | - | Philippines |
| Blue Chip Gaming and Leisure Corporation (BCGLC) | 100 | 100 | Philippines |
| Gold Coast Leisure World Corporation (GCLWC) | 100 | 100 | Philippines |
| LR Data Center and Solutions Inc. (LRDCSI) | 80 | 80 | Philippines |
| First Cagayan Leisure and Resort Corporation (FCLRC) | 97.27 | 87.27 | Philippines |
| First Cagayan Converge Data Center, Inc. (FCCDCI) | 68.36 | 68.36 | Philippines |
| Bingo Bonanza (HK) Limited (BBL)*** | 60 | 60 | Hong Kong |

**Non-operating subsidiary*
*** Indirect subsidiary of ABLGI as at December 31, 2023*
****Deregistered*

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In 2024, DigiPlus acquired additional 10% minority interest in FCLRC. Cash consideration was paid to the non-controlling shareholder.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

*Non-controlling interest (NCI)*

NCI represent the portion of profit or loss and net assets or liabilities not held by the Group and are presented separately in the consolidated statements of total comprehensive income, consolidated statements of changes in equity, and within equity in the consolidated statements of financial position, separately from Group's equity attributable to equity holders of the Group.

Losses applicable to the NCI in a subsidiary (including components of other comprehensive income) are allocated to the NCI even if doing so results in a deficit NCI balance.

The following table summarizes the information relating to the Group entities with material NCI, before intra-group eliminations:

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | LRDCSI | FCLRC | BBL | FCCDCI | Grand Total |
| Non-controlling interests' percentage | **20.00%** | **2.73%** | **40.00%** | **31.64%** | |
| Current assets | 1,719 | 550,086 | 61 | 95,719 | 647,585 |
| Noncurrent assets | 1,670 | 1,899,157 | 33 | 66,922 | 1,967,782 |
| Current liabilities | (17,493) | (744,363) | (87,144) | (110,583) | (959,583) |
| Noncurrent liabilities | (2,240) | (361,598) | - | (76,229) | (440,067) |
| **Net assets (liabilities)** | (16,344) | 1,343,282 | (87,050) | (24,171) | 1,215,717 |
| Carrying amount of non-controlling interests | (3,269) | 171,000 | (34,820) | (7,648) | 125,263 |
| **Revenue** | - | (293,543) | - | (130,602) | (424,145) |
| Net income (loss) for the year | (43) | (49,879) | - | 12,179 | (37,743) |
| Other comprehensive income | - | (987) | - | (1,420) | (2,407) |
| **Total comprehensive income** | (43) | (50,866) | - | 10,759 | (40,150) |
| Net income allocated to non-controlling interests | (9) | (1,389) | - | 3,404 | 2,006 |
| Other comprehensive income allocated to non-controlling interests | - | (27) | - | (449) | (476) |
| Cash flows from operating activities | 193 | 29,368 | - | 25,958 | 55,519 |
| Cash flows used in investment activities | - | (26,971) | - | (1,869) | (28,840) |
| Cash flows used in financing activities | - | (1,546) | - | 456 | (1,090) |
| **Net increase (decrease) in cash** | 193 | 851 | - | 24,545 | 25,589 |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | LRDCSI | FCLRC | BBL | FCCDCI | Grand Total |
| Non-controlling interests' percentage | **20.00%** | **12.73%** | **40.00%** | **31.64%** | |
| Current assets | 7,438 | 1,544,450 | 61 | 69,672 | 1,621,621 |
| Noncurrent assets | 1,739 | 950,671 | 33 | 77,907 | 1,030,350 |
| Current liabilities | (17,558) | (809,766) | (87,144) | (104,366) | (1,018,834) |
| Noncurrent liabilities | (2,298) | (283,093) | - | (73,064) | (358,455) |
| **Net assets (liabilities)** | (10,679) | 1,402,262 | (87,050) | (29,851) | 1,274,682 |
| Carrying amount of non-controlling interests | (2,136) | 178,508 | (34,820) | (9,445) | 132,107 |
| **Revenue** | - | 268,113 | - | 86,128 | 354,241 |
| Net income (loss) for the year | 2,264 | 81,083 | - | 2,596 | 85,943 |
| Other comprehensive income | (36) | (251) | - | (288) | (575) |
| **Total comprehensive income (loss)** | 2,228 | 80,832 | - | 2,308 | 85,368 |
| Net income (loss) allocated to non-controlling interests | 446 | 10,290 | - | 730 | 11,466 |
| Other comprehensive income allocated to non-controlling interests | (7) | (32) | - | (91) | (130) |
| Cash flows from operating activities | 251 | 15,196 | - | 5,632 | 21,079 |
| Cash flows from (used in) investment activities | - | (4,156) | - | (3,439) | (7,595) |
| Cash flows used in financing activities | - | (22,763) | - | (339) | (23,102) |
| **Net (decrease) increase in cash** | 251 | (11,723) | - | 1,854 | (9,618) |

ABLE

ABLE, a wholly owned subsidiary, was registered with the SEC on December 28, 1994. Its primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

ABLE offers traditional and electronic bingo games on its bingo halls across the country. Classified under non-essential businesses, all ABLE's bingo halls were temporarily closed on March 16, 2020. On June 5, 2020, PAGCOR issued a memorandum allowing the resumption of operations of gaming sites within MGCQ areas at 50% capacity.

Bingo halls located in areas under GCQ areas were allowed to operate at 30% operating capacity. In 2021, with the government easing the quarantine restrictions, ABLE resumed its sites' operations. In January 2022, PAGCOR granted ABLE with an online traditional bingo license for its new application BingoPlus.

ABLE's registered office address is located at 5th Floor Units 536-544 Bldg. D SM Megamall, EDSA Brgy. Wack-wack, Mandaluyong City.

The consolidated financial statements also include the following indirect subsidiaries owned through ABLE as at December 31, 2024 and 2023:

| Subsidiaries | Percentage of Ownership 2024 | 2023 | Country of incorporation |
|---|---|---|---|
| Alabang Numbers & Gaming Corporation | 100 | 100 | Philippines |
| Allpoint Leisure Corporation | 100 | 100 | Philippines |
| Alpha One Amusement and Recreation Corp. | 100 | 100 | Philippines |
| Big Time Gaming Corporation | 100 | 100 | Philippines |
| Bingo Extravaganza, Inc. | 100 | 100 | Philippines |
| Bingo Gallery, Inc. | 100 | 100 | Philippines |
| Bingo Heaven Inc.* | 100 | 100 | Philippines |
| Bingo Palace Corporation | 100 | 100 | Philippines |
| Cebu Entertainment Gallery, Inc. | 100 | 100 | Philippines |
| Fiesta Gaming and Entertainment Corporation* | 100 | 100 | Philippines |
| First Leisure & Game Co., Inc. | 100 | 100 | Philippines |
| Galleria Bingo Corporation | 100 | 100 | Philippines |
| Gamexperience Entertainment Corp. | 100 | 100 | Philippines |
| Grand Polaris Gaming Co., Inc. | 100 | 100 | Philippines |
| G-One Gaming & Technology, Inc. | 100 | 100 | Philippines |
| Highland Gaming Corporation | 100 | 100 | Philippines |
| Iloilo Bingo Corporation | 100 | 100 | Philippines |
| Metro Gaming Entertainment Gallery, Inc. | 100 | 100 | Philippines |
| Rizal Gaming Corporation | 100 | 100 | Philippines |
| SG Amusement and Recreation Corp. | 100 | 100 | Philippines |
| South Bingo Corporation | 100 | 100 | Philippines |
| South Entertainment Gallery Incorporated | 100 | 100 | Philippines |
| Topmost Gaming Corp. | 100 | 100 | Philippines |
| Topnotch Bingo Trend, Inc. (Topnotch) | 100 | 100 | Philippines |
| One Bingo Pavilion Inc. | 100 | 100 | Philippines |
| Worldwide Links Leisure and Gaming Corporation | 100 | 100 | Philippines |
| Bingo Dinero Corporation (Bingo Dinero) | 100 | 100 | Philippines |
| Manila Bingo Corporation | 100 | 100 | Philippines |
| Summit Bingo, Inc.** | 100 | 60 | Philippines |
| One Bingo Place, Incorporated*** | 99 | 95 | Philippines |
| Bingo Zone, Inc.* | 95 | 95 | Philippines |
| Isarog Gaming Corporation | 90 | 90 | Philippines |
| Negrense Entertainment Gallery, Inc. | 55 | 55 | Philippines |

**Non-operating subsidiaries.*
*** In 2024, ABLE acquired the remaining 40% minority interest in Summit Bingo, Inc. increasing its ownership interest to 100%. Cash consideration was paid to the non-controlling shareholder.*
****In 2024, ABLE subscribed to the entire increase in One Bingo Place, Incorporated's authorized capital stock, resulting in a dilution of the non-controlling interest (NCI). Consequently, ABLE's ownership interest increased from 95% to 99%.*

The indirect subsidiaries' primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

ABLGI

ABLGI, a wholly owned subsidiary, was registered with the SEC on October 20, 2009. Its primary purpose is to acquire, own, use, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises such as but not limited to resorts, golf courses, clubhouses and sports facilities, hotels and gaming facilities, with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith. ABLGI started its operations on January 1, 2013.

ABLGI's registered office address is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

The consolidated financial statements also include the following indirect subsidiaries owned through ABLGI as at December 31, 2024 and 2023:

| Subsidiaries | Percentage of Ownership | | Country of incorporation |
|---|---|---|---|
| | December 31, 2024 | December 31, 2023 | |
| AB Leisure Asia Holdings Inc. (ABLAHI) | 100 | 100 | Philippines |
| AB Leisure Holdings Philippines Corp (ABLHPC) | 100 | 100 | Philippines |
| G-L Real Estate JV Corporation (GL-JV) | 100 | 100 | Philippines |
| G-Boracay Land Holdings Inc. (GBLHI) | 100 | 100 | Philippines |
| G-Boracay Alpha Holdings Inc. (GBAHI) | 100 | 100 | Philippines |
| Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI)* | - | 100 | Philippines |
| DigiLive Inc. (formerly G-Boracay Gamma Holdings Inc. (GBGHI) | 100 | 100 | Philippines |
| Leisure and Media Plus Corporation (LMPC) | 100 | - | Philippines |
| DigiPlus Brazil Holdings Ltda. | 100 | - | Brazil |
| DigiPlus Brazil Interactive Ltda. | 100 | - | Brazil |

**Direct subsidiary of DigiPlus Interactive Corp. as at December 31, 2024*

The indirect subsidiaries' primary purpose is the same as ABLGI. These indirect subsidiaries were incorporated in 2017 for a future project. The land for such project was acquired in 2017 at a cost of P4,759,548,749.

On May 29, 2024, ABLGI incorporated LMPC as its wholly owned subsidiary. The primary purpose of the Company is to engage in the production, marketing and sales subscription and/or advertising-supported sports and entertainment content services through the curation and aggregation of local and international programming. The principal office of the corporation is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

On July 3, 2024, ABLGI incorporated DigiPlus Brazil Holding Ltda. as its wholly owned subsidiary. The Company's corporate purpose is holding equity stakes, as member, shareholder or quotaholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in Sao Paulo, Brazil.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

On July 24, 2024, DigiPlus Brazil Holding Ltda. incorporated DigiPlus Brazil Interactive Ltda. as its wholly owned subsidiary. The Company's corporate purposes are operation of fixed-odds betting and holding equity stakes, as member, shareholder or quotaholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in Sao Paulo, Brazil. The Company has not started its operations.

On August 18, 2024, DigiPlus, through its wholly-owned subsidiary, DigiPlus Brazil Interactive Ltda., filed an application for Licença Para Loterias De Apostas De Quota Fixa, which is a federal license that allows the operations of land-based and online sports betting, electronic games, live game studios, and other fixed-odds betting activities in Brazil.

On November 21, 2024, DigiPlus Brazil Interactive Ltda., has passed the qualification stage for a federal license with Brazil's Ministry of Finance's Secretariat of Awards and Bets (SPA). DigiPlus have 30 days to fulfill post-qualification regulatory requirements, including platform certification and license fee payments.

In January 2025, DigiPlus secured the Definitive Authority from the Brazilian government to operate iGaming products through DigiPlus Brazil Interactive Ltda. The federal license authorizes DigiPlus to operate land-based and online sports betting, electronic games, and other fixed-odds betting activities across Brazil.

<u>LRLDI</u>

On December 10, 2007, the Parent Group incorporated LRLDI as its wholly-owned subsidiary. It is engaged in realty development and lease of properties. LRLDI started its operations in 2010.

LRLDI's registered office address is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

<u>PIKI</u>

PIKI was registered with the SEC on November 9, 2012. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. On July 3, 2013, PIKI obtained a Grant of Authority from PAGCOR for the privilege and authority to bring in pre-registered non-Philippine junket players (with passports bearing Philippine arrival dates no later than five (5) days prior to the initial entry in the Gaming Rooms) to play the designated junket Gaming Rooms at PAGCOR's Casino Filipino - Midas, with a minimum gaming table mix to be determined by PAGCOR. On March 22, 2013, the Parent Group acquired 100% of PIKI's outstanding capital stock. PIKI started its operations on July 26, 2013.

PIKI was licensed by PAGCOR to operate a junket within PAGCOR's Casino Filipino-Midas. Junket operations have been suspended at the start of the ECQ. In November 2021, PIKI ceased its operations.

<u>TGXI</u>

TGXI was registered with the SEC on June 27, 2014 primarily to engage in general amusement, gaming operations and recreation enterprises. PAGCOR granted TGXI the privilege to establish, install, maintain, and operate PeGS. PeGS is a gaming facility that offers virtual casino games. TGXI started commercial operations on July 16, 2014.

TGXI operates PeGS in several locations across the country. Its operations were suspended on March 16, 2020 until June 16, 2020. Relative to PAGCOR's memorandum on June 5, 2020, TGXI was allowed to operate at 50% and 30% capacity in sites under MGCQ and GCQ, respectively. In 2021, with the government easing the quarantine restrictions, ABLE resumed its sites' operations.

TGXI's principal office is at 2/F Starmall Bldg., EDSA cor. Shaw Blvd., Mandaluyong City.

BCGLC

BCGLC was registered with the SEC on February 26, 2009. Its primary purpose is to provide investment, management counsel and to act as agent or representative for business enterprises engaged in gaming, recreation and leisure activities. On October 20, 2009, BCGLC (lessor), as the authorized representative of Munich Management Limited (a foreign corporation duly organized and registered in British Virgin Islands), entered into a contract of lease with PAGCOR (lessee), for the use of slot machines and gaming facilities.

On July 24, 2015, BCGLC incorporated Gold Coast Leisure World Corp. (GCLWC) as its wholly owned subsidiary. Its primary purpose is to purchase, acquire, own, lease (except financial leasing), sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment, and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, share of its capital stock, debentures and other evidences of indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the corporation.

BCGLC's registered office address is at King's Royal Hotel and Leisure Park, Olongapo Gapan Road, Macabacle, Bacolor, Pampanga.

LRDCSI

LRDCSI was registered with SEC on May 20, 2016 and started its operation in October 2017. LRDCSI is a technology Group engaged in aggregating data and telecommunication services. LRDCSI's revenue model involves acquiring services from local and foreign technology and telecommunications companies at wholesale rates, bundling said services and then reselling the services at retail rates. The premium for such activity is warranted given the bespoke and higher level of customer engagement provided by the LRDCSI.

LRDCSI's portfolio includes solutions related to data center co-location, internet, private leased lines, mobile and voice platforms, cybersecurity, content delivery networks, e-commerce, and network and website optimization. LRDCSI aims to provide these services to customers and clients in all industry sectors including land based and online gaming operators. DigiPlus owns 80% of the outstanding capital stock of LRDCSI while an individual stockholder owns 20%.

LRDCSI provides advanced information technology infrastructure services for businesses such as co-location, internet services, connectivity, business continuity and disaster recovery, and managed professional services. Service agreements with the customers are renewable annually. Due to the COVID-19 pandemic, some of the clients of LRDCSI terminated or have not renewed its contract.

LRDCSI's registered office address is located at 26th Floor West Tower, PSE Center, Exchange Road, Ortigas Center, Brgy. San Antonio, Pasig City.

FCLRC

FCLRC was incorporated on April 26, 2000 and is a Cagayan Special Economic Zone and Freeport (CSEZFP) registered enterprise. FCLRC has an existing License Agreement with the Cagayan Economic Zone Authority (CEZA) to develop, operate and conduct internet and gaming enterprises and facilities in the CSEZFP. Pursuant to the License Agreement, CEZA issued the "CEZA Master Licensor Certificate" certifying that FCLRC is duly authorized to regulate and monitor, on behalf of CEZA, all activities pertaining to the licensing and operation of interactive games.

As Master Licensor in CEZA, FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the internet casino, in accordance with an agreed formula. Since COVID-19 impacted the operations of the CEZA licensees, FCLRC's sub-license fee also decrease due to discontinuance of the operations of its locators/licensees.

FCLRC's registered office address is located at Guest House, CEZA Complex, Casambalangan, Sta. Ana, Cagayan.

FCCDCI

On March 1, 2007, FCLRC and IP Converge Data Center Corp. (IPCDCC) entered into a Shareholders Agreement (Joint Venture) to engage in the business of information technology such as, but not limited to IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution to the licensed locators of FCLRC, as well as the CEZA. The Joint Venture shall likewise invest in building, upgrading and maintaining the IP communications infrastructure that connects CEZA to the global internet. This includes fiber optic networks, wireless radio stations, telco-grade internet data center, network operations center, and network hubs/access points. This investment is made by FCLRC in relation to the Master Development Plan for Tourism Area in CSEZFP and the Development of Information Technology (IT) Facilities and Telecommunications (Master Development Plan) (Note 16).

FCCDCI was incorporated and registered with the SEC on November 14, 2007, and started commercial operations on January 1, 2008. FCLRC owns 60% of FCCDCI and the remaining 40% is owned by IPCDCC.

On May 15, 2012, IPCDCC entered into a Deed of Assignment of Subscription Rights with IP Ventures, Inc. ("IPVI" a third party Group) whereby IPCDCC assigned all the rights, interests and participation to IPVI. On January 1, 2017, IPVI entered into a Deed of Absolute Sale of Share of Stock with LRDCSI, whereby IPVI assigned its rights, interest and participation to its 5,000,000 shares of stock or 20% ownership in FCCDCI.

By virtue of the Deed of Absolute Sale of Share of Stock entered into by IPVI and LRDCSI, DigiPlus obtained a 57.81% effective interest and control in FCCDCI through its direct subsidiaries FCLRC and LRDCSI at 60% and 20% equity stake in FCCDCI, respectively. Thus, due to the effect of the 20% additional equity interest, FCCDCI is consolidated into the Group effective January 1, 2017.

FCCDCI provides advanced information technology infrastructure services for businesses such as colocation, internet services, connectivity, business continuity and disaster recovery, and managed professional services. Service agreements with the customers are renewable annually. Due to the COVID-19 pandemic, some of the clients of FCCDCI terminated or have not renewed its contract.

FCCDCI's registered office address is at Centro Municipality of Sta. Ana, Cagayan Economic Zone, Cagayan Province.

BBL

On March 15, 2010, the Parent Group incorporated BBL as its 60%-owned subsidiary. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. BBL was incorporated under the Companies Ordinance of Hong Kong and started its operations in March 2012. It is currently non-operational and in the process of liquidation.

Transactions eliminated on consolidation

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated. Unrealized gains from transactions with the equity accounted investees are eliminated against the investment to the extent of the Group's interest in investee. Unrealized losses are eliminated in the same way as unrealized gains, to the extent that there is no evidence of impairment.

### 28.4 Financial assets

*Classification and presentation*

The Group classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
b) those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income, otherwise it will be recognized at fair value through profit or loss.

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. The Group shall reclassify financial assets when and only when its business model for managing those assets changes.

The Group has cash, receivables, due from related parties and rent deposits (included in "Other noncurrent assets" account in the Group statement of financial position) classified as financial asset at amortized cost. It also has investment in equity securities classified as financial asset at FVOCI. The Group has no financial asset designated as financial asset at FVPL.

*Measurement*

At initial recognition, the Group measures a financial asset at amortized cost and FVOCI. In the case of a financial asset at amortized cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

*Financial assets at amortized cost (debt instruments)*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income (expenses), net, using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expenses), net, together with foreign exchange gains and losses. Impairment losses are presented in administrative expenses in the statement of total comprehensive income. The Group's financial assets at amortized cost consist of cash and cash equivalents, trade receivables, due from related parties and refundable deposits (Note 26).

*Financial assets designated at FVOCI (equity instruments)*

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends are recognized as other income in the Group statement of total comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investment under this category.

*Derecognition*

A financial asset (or, where applicable., a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) 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 assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For cash in banks, receivables, due from related parties and rent deposits. the Group applies a general approach in calculating ECLs. The Group recognizes a loss allowance based on either 12-month ECL or lifetime ECL. depending on whether there has been a significant increase in credit risk on its cash in bank since initial recognition.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*(i) Simplified approach*

The Group applies the simplified approach to provide for ECLs for all trade receivables arising from contracts with third party customers. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

*(ii) General approach*

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The Group consider inancial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due or longer depending on the historical experience with particular customers.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Impairment losses and subsequent recoveries on financial assets are presented in administrative expenses within operating profit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss. Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off were credited against operating expense in profit or loss.

### 28.5 Financial liabilities

*Classification and presentation*

The Group classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value) and (b) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Group has no financial liabilities at FVPL or derivative liabilities designated as hedging instruments during and at the end of each reporting period.

*Financial liabilities at amortized cost*

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortized cost. They are included in current liabilities, except for maturities more than twelve months after reporting date which are classified as non-current liabilities.

The Group's financial liabilities include trade and other payables (excluding payables to government agencies for value-added tax, withholding and other taxes), short-term and long-term loans payable, accrued expenses and other payables, due to related parties and lease liability.

*Initial recognition and subsequent measurement*

The Group recognizes a financial liability in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

The Group's financial liabilities at amortized cost are initially measured at invoice amount, which approximates fair value plus transaction costs. Loans payable are measured net of directly attributable transaction costs.

Subsequently, these are measured at amortized cost using the effective interest method. Interest expense on financial liabilities is recognized within finance cost, at gross amount, in profit or loss.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss 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 interest expense in the Group statement of total comprehensive income.

*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 Group statement of total comprehensive income.

### 28.6 Determination of fair value

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

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's FVOCI financial assets with quoted market price are valued using Level 1 of the fair value hierarchy and those with unquoted market price are measured at cost.

For non-financial assets, the Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the Group will not fulfill an obligation.

### 28.7 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparties.

### 28.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from date of acquisition. These are measured in the statement of financial position at fair value and subsequently carried at amortized cost which approximates the face or nominal amount. Cash in bank earns interest at the prevailing bank deposit rate.

### 28.9 Prepaid expenses and other current assets

Prepayments are recognized in the consolidated statement of financial position in the event that payment has been made in advance of obtaining right of access to goods or receipt of services and measured at nominal amounts. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. These are derecognized in the consolidated statement of financial position upon delivery of goods or when services have been rendered, through amortization over a certain period of time, and use or consumption.

Other current assets consist substantially of input value-added tax (VAT) and creditable withholding taxes which are recognized as assets in the period such input value-added tax and income tax payments become available as tax credits to the Group and carried over to the extent that it is probable that the benefit will flow to the Group.

### 28.10 Investments and advances

*Associates*

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

*Joint arrangements*

Under PFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group does not have arrangements classified as joint operations.

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

Management assessed that the Group has significant influence over its associates and joint ventures by virtue of the Group's more than 20% voting power in the investee, representation in the board of directors, and participation in policy-making processes of the associates and joint ventures.

**28.11 Property and equipment**

Property and equipment is initially measured and recognized at acquisition cost which comprises of purchase price and any directly attributable cost of bringing the asset to working condition and location for intended use.

After initial measurement, property, plant and equipment is stated at historical cost less accumulated depreciation, amortization and impairment, if any.
Construction in progress, which represents properties under construction, is stated at cost and depreciated only when the relevant assets are completed and ready for operational use. Upon completion, these properties are reclassified to their appropriate class of property, plant and equipment.

Leasehold improvements are amortized over the shorter of lease term or estimated useful life of the improvements. Lease term takes into consideration renewal options.

Land is recognized at fair value based on periodic, but at least triennial, valuations by external independent valuers. A revaluation surplus is credited to other comprehensive income in the statement of shareholders' equity.

The fair value of land is calculated using the direct income capitalization approach (Level 3). In applying the direct income capitalization approach, the stabilized net operating income (NOI) of each property is divided by an appropriate capitalization rate. Stabilized NOI is computed at revenue less property operating expenses adjusted for items such as average lease up costs, long-term vacancy rates, non-recoverable capital expenditures, management fees, straight-line rents and other non-recurring items. Discount rates is based on actual location, size and quality of the property and taking into account any available market data at the valuation date.

It is the Group's policy to classify right-of-use assets as part of property and equipment. The Group recognizes right-of-use assets at the commencement date of the lease (i.e.. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses. and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, 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 the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of-use assets are depreciated on a straight - line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Depreciation on other assets is computed on the straight-line method to allocate the cost of each asset, less its residual value, over its estimated useful life (in years), determined based on the Group's historical information and experience on the use of such assets, as follows:

| Asset | Number of years |
|---|---|
| Leasehold improvements | 5 or term of the lease, whichever is shorter |
| Aircraft and transportation equipment | 5-15 |
| Gaming software and equipment | 5 |
| Office furniture, fixtures, and equipment | 5 |
| Network equipment | 10 |
| Condominium unit | 25 |
| Airstrip improvements | 10 |
| Right-of-use asset | 1-25 |

The Group estimates the useful life of its airstrip improvement based on the period over which the asset is expected to be available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their accumulated depreciation are removed from the disposal accounts.

When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**28.12 Investment properties**

Investment properties consist of land, land improvements, building, or part of a building or both held to earn long-term rental yields or for capital appreciation or both, and is not occupied by the Group or held for sale in the ordinary course of business.
The Group adopted the fair value model for accounting for its investment properties. Under this method, investment properties are initially measured at cost, including transaction costs, but are subsequently remeasured at fair value, which reflects market conditions at the reporting date.

The fair value of investment properties is determined by independent real estate valuation experts using cost approach, income and sales comparison approach. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise.

Investment properties are derecognized when either those have been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from their disposal. Any gain and loss on derecognition of investment properties is recognized in profit or loss in the year of derecognition.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of the owner occupation or commencement of development with a view to sell.

For a transfer from investment properties to owner-occupied properties, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If owner-occupied properties become investment properties, the Group accounts for such properties in accordance with the policy stated under property and equipment up to the date of change in use. When investment property that was previously classified as property and equipment is sold, any related amount included in the revaluation is transferred to retained earnings.

For those right-of-use assets that qualify as investment properties, i.e., those land and buildings that are subleased by the Group, these are classified under investment properties in accordance with paragraph 48 of PFRS 16. Consistent with the Group's policy regarding the measurement of investment properties, these assets are subsequently measured at fair value.

### 28.13 Lease rights

The Group's lease rights pertain to acquired rights and interests in the sublease agreement entered upon by the Group. Lease rights are accounted under other noncurrent assets and stated at cost less accumulated amortization and impairment in value, if any. Lease rights are amortized on a straight-line basis over the lease term.

### 28.14 Business combination

The Group applies the purchase or acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss in the consolidated statement of total comprehensive income.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified at equity is not re-measured, and its subsequent settlement is not accounted for within equity.

### 28.15 Intangible assets

*Goodwill*
Goodwill is initially measured as the excess of the aggregate of the consideration transferred (including the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree) over the fair value of the Group's share of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognized directly in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

When subsidiaries are sold, the difference between the selling price and the subsidiary's net asset plus goodwill associated with the investment are recognized in consolidated statement of total comprehensive income.

*Software and website*
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is recognized in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization commences once the intangible assets are available for use and is computed on a straight-line basis over the estimated useful lives of five (5) years or more, depending on the nature and contractual circumstances surrounding the purchase of the intangible assets. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of total comprehensive income in the expense category that is consistent with the function of the intangible assets. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

**28.16 Impairment of non-financial assets**

Non-financial assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, mainly property, and equipment, lease rights, and investment properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Impairment losses, if any, are recognized in profit or loss. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

When impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. Reversals of an impairment loss are credited in profit or loss.

**28.17 Trade payables and other current liabilities**

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business with suppliers.

Trade payables and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established or when the corresponding assets or expenses are recognized.

Trade payables and other liabilities are recognized initially at invoice amount, which represent fair value, and subsequently measured at amortized cost using effective interest method.

These are derecognized when extinguished or when the obligation is discharged, cancelled or has expired.

**28.18 Loans payable**

Loans payable are recognized initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Loans payable are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Loans payable are derecognized when the obligation is settled, paid or discharged.

**28.19 Provisions**

Provision are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized in the consolidated statement of financial position.

**28.20 Contingencies**

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

**28.21 Deposit for future stock subscription**

Deposits for future stock subscriptions represent cash receipts to be applied as payment for additional subscription of unissued shares or shares from an increase in authorized capital stock, outstanding subscriptions receivables, or additional paid-in capital, and are reported as a separate line item in the consolidated statement of financial position upon compliance with the requirements of the Philippine SEC.

The Group classifies deposits for future stocks subscriptions under equity as a separate account from capital stock if, and only if, all of the following elements are present as of the end of the reporting period:

- the unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- there is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the Company);
- there is stockholders' approval of said proposed increase; and

- the application for the approval of said proposed increase has been presented for filing or has been filed with the Philippine SEC.

If any of the foregoing elements are not present, the deposit is recognized as a liability.

**28.22 Equity**

*Capital stock*

Common and preferred shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

*Additional paid-in capital*

Any amount received by the Group in excess of par value of the Parent Company's shares is credited to Additional paid0in capital which forms part of the non-distributable reserve of the Group and can be used only for purposes specified under corporate code.

*Share issuance cost*

Share issuance costs incurred for the listing and offering process of the Group are recognized as deduction to the additional paid in capital in accordance with PIC - Question and Answer (PIC - Q&A) 2011-04.

*Treasury shares*

When share capital is repurchased, the amount of the consideration paid, which includes directly/ attributable costs, net of any tax effects, is recognized as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus on the transaction is transferred to additional paid-in capital, while the resulting deficit is applied against additional paid-in capital and retained earnings, for any excess of deficit over the additional paid-in capital arising from treasury shares transactions. Preferred shares that are redeemed and not cancelled are presented as treasury shares.

*Fair value reserve*

Fair value reserve represents cumulative net change in the fair value of FVOCI, net of tax effect, as at reporting date.

*Foreign currency translation reserve*

The assets and liabilities of the subsidiary with transactions denominated in currencies other than Philippine peso are translated using the applicable closing exchange rates on the reporting date. The income and expenses of the subsidiary with transactions denominated in currencies other than Philippine Peso are translated using the exchange rates at the date of transactions. Foreign currency differences are recognized in other comprehensive income and accumulated in the "Foreign currency translation reserve" account in the consolidated statements of financial position.

*Retained earnings*

Retained earnings represents the cumulative balance of periodic profit/loss, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are approved and declared by the Parent Company's BOD.

Appropriation of retained earnings is recognized based on the provisions of the Corporation Code of the Philippines and by approval of the Parent Company's BOD. The Parent Company's BOD release retained earnings from appropriation when the purpose of such appropriation has been completed.

**28.23 Earnings per share (EPS)**

Basic EPS is computed by dividing the profit attributable to the owners of the Parent Company by the weighted average number of shares in issue during the year, excluding ordinary shares purchased by the Parent Company held as treasury shares.

The diluted EPS is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares, if any. Net income attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares. Where the effect of the warrants is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

**28.24 Revenue recognition**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer except for some entities of the Group which act as agent in certain commission revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized:

*Bingo games*

- Online traditional bingo - Revenue from these bingo games is satisfied at a point in time and are recognized upon conclusion of each game cycle. The revenues are net of payouts and platform fees.
- Electronic bingo games- Revenue from these bingo games is satisfied at a point in time and are recognized upon conclusion of each game cycle. The revenues are net of payouts and share of machine vendors.
- Traditional bingo, rapid bingo and pull tabs - Revenue from these bingo games is satisfied at a point in time and are recognized upon sale of bingo cards.

*Electronic games*

Revenue from these games is satisfied at a point in time and are recognized upon conclusion of each game cycle. The revenues are net of payouts and platform fees.

*Rental income and revenue from sub-lease*

Rent income from investment properties and revenue from sub-lease is recognized on a straight-line basis over the term of the lease.

*Service and hosting fees*

Revenue from bandwidth and co-location services are satisfied over time and are recognized as the services are performed. Service fees are satisfied at a point in time and are recognized upon processing of locators' application for a franchise. Hosting fees are satisfied over time and are recognized upon accrual of the gaming levy to locators based on their reported revenue as defined in the license agreement.

*Income from junket operations*

Income from junket operations is satisfied over time and is recognized when the related services are rendered based on a percentage gross gaming revenue of the junket.

*Commission income*

Commission income is satisfied over time and is recognized when the related services are rendered based on a percentage of each PeGs' casino winnings.

*Interest income*

Interest income from cash in banks and receivables, which is presented net of final taxes paid or withheld, is recognized in profit or loss on a time-proportion basis using the effective interest method.

*Other income*

Other income comprises miscellaneous income from operations and recognized at a point in time.

**28.25 Contract liabilities**

A contract liability is the obligation to deliver services to a player or customer for which the Group has received consideration (or an amount of consideration is due) from the player or customer. Player deposits before the player plays and bets in the BingoPlus and ArenaPlus applications are recognized as contract liabilities. Likewise, if a customer pays consideration before the Group transfers 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 upon conclusion of each game cycle or when the Group performs under the contract.

**28.26 Cost and expense recognition**

Costs and expenses are recognized when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized:

(i) on the basis of a direct association between the costs incurred and the earning of specific items of income;
(ii) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or
(iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position.

Payouts represent payments to winners of traditional bingo games. This is recognized as expense upon conclusion of the game.

**28.27 Leases**

When the Group enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset or is dependent on the use of a specific asset or assets, the Group assesses whether the arrangement is, or contains, a lease. The Group does not have such arrangements during and at the end of each reporting period.

*28.27.1 The Group is the lessee*

The Group recognizes leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

*Measurement of lease liabilities*

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantee
- the exercise price of a purchase option if the lessee is reasonably certain to exercise the option
- payments of penalties for terminating the lease, if the lease term reflects the termination.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

*Measurement of right-of-use assets*

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

*Extension and termination options*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

*Short-term leases and leases of low-value assets*

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

*28.27.2 The Group as the Lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenues in the statements of total comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### 28.28 Employee benefits

*Retirement benefits liability*

The Group has a defined benefit retirement plan managed by its subsidiaries, ABLE and FCLRC, which is based on the provisions of Republic Act RA 7641. A defined benefit plan is a pension plan that defined an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability (or asset) recognized in the consolidated statement of financial position is the present value of the defined benefit obligation less fair value of the plan assets at the reporting date. In cases when the amount determined results in an asset, the Group measures the resulting asset at the lower of such amount determined and the present value of any economic benefits available to the Group in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity (within reserve for remeasurement on retirement benefit) in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

*Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

*Share-based payments*

Share-based compensation benefits are provided to employees via the Group's employee share option plan, an employee share scheme. Information relating to this scheme is set out in Note 14.

The fair value of options granted under the Group's employee share option plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of share options granted.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The entity recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

### 28.29 Income taxes

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

DIT is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related DIT asset is realized, or the DIT liability is settled.

DIT assets are recognized for all deductible temporary differences, carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) and unused tax losses (net operating loss carryover or NOLCO) to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.
The Group re-assesses at each reporting date the need to recognize a previously unrecognized DIT asset, if any.

DIT assets and liabilities are derecognized when the related temporary difference are realized or settled.

### 28.30 Segment reporting

Reportable segments are presented by aggregating operating segments based on similar products and services. The accounting policies used to recognize and measure the segment’s assets, liabilities and profit or loss is consistent with those of the consolidated financial statements.

The Group has one geographical segment and derives substantially of its revenues from domestic operations.

### 28.31 Related party transactions and relationships

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

**DigiPlus Interactive Corp. and Subsidiaries**

**Index to Supplementary Schedules**

| | |
|---|---|
| I | Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C) |
| II | A map showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co-subsidiaries, and associates |
| III | Supplementary schedules |
| | |
| A | Financial Assets |
| B | Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties) |
| C | Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements |
| D | Long term Debt |
| E | Indebtedness to Affiliates and Related Parties (Long-term loans from Related Companies |
| F | Guarantees of Securities of Other Issuers |
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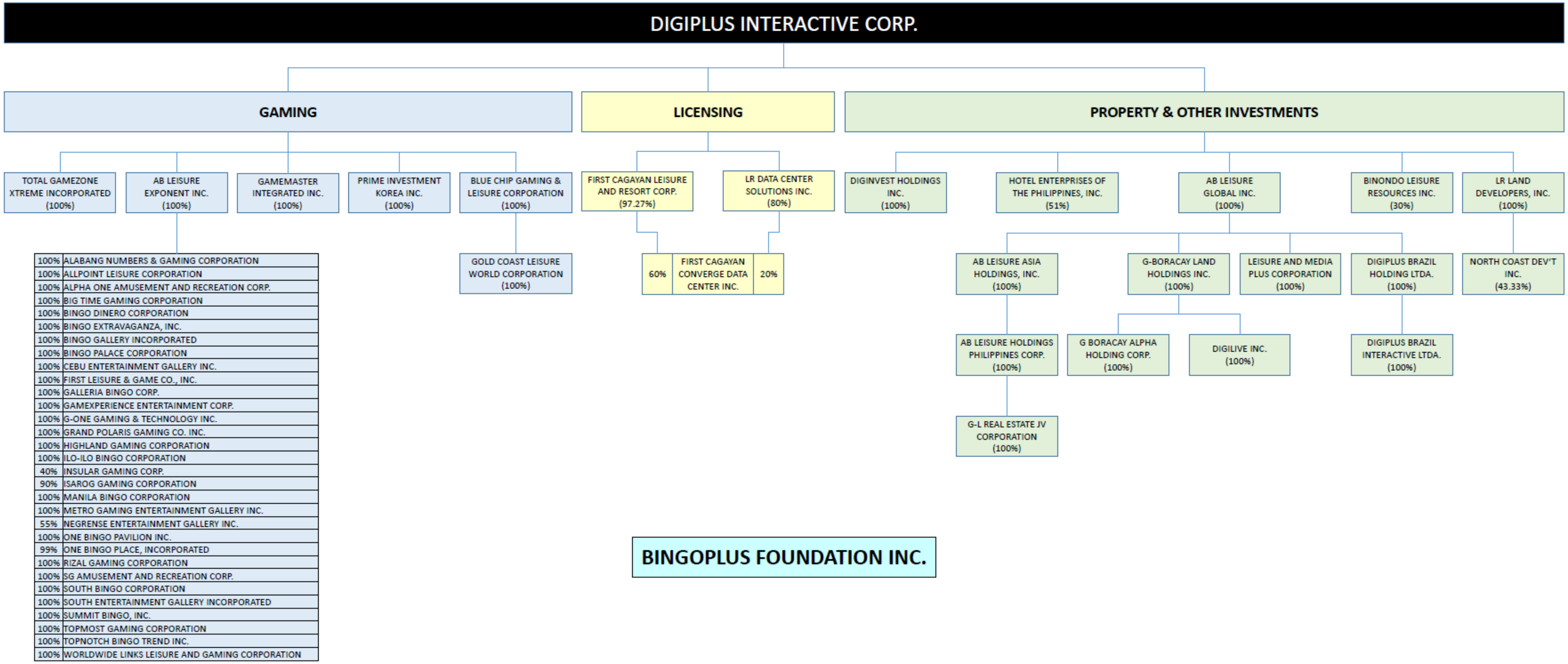
**DigiPlus Interactive Corp. and Subsidiaries**

Reconciliation of Parent Company's Retained Earnings
Available for Dividend Declaration
As at December 31, 2024
All amounts in thousands of Philippine Peso
(Part 1, 4C, Annex 68-C)

| | | |
|---|---|---|
| **Unappropriated Retained Earnings, beginning of the year** | | **P6,159,506** |
| Less: Category B: Items that are directly debited to Unappropriated Retained Earnings | | |
| Dividend declaration during the reporting period | (793,379) | |
| Retained earnings appropriated during the reporting period | (7,300,000) | (8,093,379) |
| **Unappropriated Retained Earnings, as adjusted** | | **(1,933,873)** |
| Add/Less: Net Income for the current year | | 11,992,153 |
| Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax) | | |
| Equity in net income of associate/joint venture, net of dividends declared | - | |
| Unrealized foreign exchange gain, except those attributable to cash and cash equivalents | - | |
| Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | |
| Unrealized fair value gain of investment property | - | |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards | - | - |
| **Adjusted net income** | | **11,992,153** |
| **Total Retained Earnings, end of the year available for dividend declaration** | | **P10,058,280** |

## DigiPlus Interactive Corp. and Subsidiaries

## Map of Conglomerate
## As at December 31, 2024



**DigiPlus Interactive Corp. and Subsidiaries**

**Financial Assets**
(All amounts in thousands of Philippine Peso)

| Financial Assets | Name of Issuing Entity and Association of Each Issue | Amount Shown in the Balance Sheet | Income Received and Accrued |
|---|---|---|---|
| Cash in banks | Union Bank | 1,875,905 | |
| | Eastwest | 1,755,005 | |
| | AUB | 1,387,595 | |
| | Sterling | 793,009 | |
| | PBB | 619,552 | |
| | PBCOM | 393,421 | |
| | BDO | 375,971 | |
| | Others | 77,093 | |
| | | 7,277,551 | 25,822 |
| Cash equivalents | Others | 6,286,418 | 67,856 |
| Cash on hand | | 413,465 | - |
| Receivables | | 4,957,322 | 20,720 |
| Advances | | 1,219,730 | - |
| Lease receivables | | 177,069 | 9,843 |
| Rental deposits | | 522,376 | - |
| Cash performance bonds | | 487,915 | - |
| Performance cash deposits | | 33,200 | - |
| Due from related parties | | 156,335 | - |
| Financial assets at FVOCI | | 62,329 | - |
| | | 21,593,710 | 124,241 |

**DigiPlus Interactive Corp. and Subsidiaries**

**Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)**
(All amounts in thousands of Philippine Peso)

| Name and Designation of Debtor | Balance at beginning of period | Additions | Amounts collected | Amounts Written Off | Current | Non-current | Balance at end of period |
|---|---|---|---|---|---|---|---|
| Stockholders | 53,106 | - | - | - | 53,106 | - | 53,106 |

**DigiPlus Interactive Corp. and Subsidiaries**

**Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements**
(All amounts in thousands of Philippine Peso)

| Name and Designation of Debtor | Balance at Beginning of Period | Additions/ Adjustments | Amounts Collected | Amounts Written Off | Current | Non-current | Balance at End of Period |
|---|---|---|---|---|---|---|---|
| Due to DigiPlus: | | | | | | | |
| ABLE and subsidiaries | 8,397,162 | 2,549,284 | - | - | 10,946,446 | - | 10,946,446 |
| AB Leisure Global, Inc. | 4,332,109 | 379,340 | - | - | 4,711,449 | - | 4,711,449 |
| Blue Chip Gaming and Leisure Corporation | 1,120,452 | 204,332 | - | - | 1,324,784 | - | 1,324,784 |
| PIKI | 305,321 | (305,321) | - | - | - | - | - |
| FCCDCI | 63,509 | 148,692 | - | - | 212,202 | - | 212,202 |
| LR Data Center | - | 1,004 | - | - | 9,347 | - | 9,347 |
| FCLRC | - | 9,397 | - | - | 9,397 | - | 9,397 |
| Gamemaster | - | 367,803 | - | - | 367,803 | - | 367,803 |
| TGXI | 8,343 | 4,405,608 | - | - | 4,405,608 | - | 4,405,608 |
| | 14,226,896 | 7,760,139 | - | - | 21,987,036 | - | 21,987,036 |

**DigiPlus Interactive Corp. and Subsidiaries**

**Long Term Debt**
(All amounts in thousands of Philippine Peso)

| Title of Issue and Type of Obligation | Amount Authorized by Indenture | Amount shown under caption "Current Portion of Long-term Debt" in related Statement of Financial Position | Amount shown under caption "Long-term Debt" in related Statement of Financial Position |
|---|---|---|---|
| Chip Leader | 733,781 | 733,781 | - |
| | 733,781 | 733,781 | - |

**DigiPlus Interactive Corp. and Subsidiaries**

**Indebtedness to Related Parties (Long-term loans from Related Companies**
(All amounts in thousands of Philippine Peso)

| Name of Related Party | Balance at Beginning of Period | Balance at End of Period |
|---|---|---|
| Not applicable | | |

**DigiPlus Interactive Corp. and Subsidiaries**

**Guarantees of Securities of Other Issuers**
**(All amounts in thousands of Philippine Peso)**

| Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed | Title of each Class of Securities Guaranteed | Total Amount Guaranteed and Outstanding | Amount Owed by Person for which Statement is Filed | Nature of Guarantee |
|---|---|---|---|---|
| Not applicable | | | | |

**DigiPlus Interactive Corp. and Subsidiaries**

**Capital Stock**

| Title of Issue | Number of Shares Authorized | Number of Shares issued as Shown under Related Balance Sheet caption | Number of Treasury Shares | Number of Outstanding Shares | Number of Shares reserved for options, warrants, conversion and other rights | Number of Shares held by Related Parties | Number of Shares Held by Directors and Officers | Others |
|---|---|---|---|---|---|---|---|---|
| Common | 7,000,000,000 | 4,785,306,666 | 377,647,488 | 4,407,659,178 | - | 21,567,000 | 12,558,905 | 4,373,533,273 |

**DigiPlus Interactive Corp. and Subsidiaries**

**Schedule of Financial Soundness Indicators**
(All amounts in thousand Philippine Peso)

| Key Performance Indicator | Formula | 2024 | 2023 |
|---|---|---|---|
| Current Ratio | Current Assets / Current Liabilities | 2.07:1 | 1.13:1 |
| Acid Test Ratio | Cash and cash equivalents + Receivables, net + Due from related parties / Current Liabilities | 1.91:1 | 0.94:1 |
| Debt to Equity Ratio | Total Liabilities / Stockholders' Equity | 0.41:1 | 0.57:1 |
| Asset to Equity Ratio | Total Assets / Stockholders' Equity | 1.41:1 | 1.57:1 |
| Return on Average Equity | Net Income / Average Stockholders' Equity | 50.13% | 25.65% |
| Return on Average Assets | Net Income / Average Total Assets | 34.08% | 16.16% |
| Solvency Ratio | Net Income + Depreciation / Average Total Liabilities | 1.15:1 | 0.49:1 |
| Interest Coverage Ratio | Income Before Interest, Tax & Depreciation / Interest Expense | 78.68:1 | 24.22:1 |
| Net Book Value Per Share | Stockholders' Equity / Shares Outstanding | 7.05 | 4.25 |
| Basic Earnings Per Share | Income Attributable to Ordinary Stockholders of the Parent Company / Weighted Average Shares Outstanding | 2.854 | 1.039 |
| Net Profit Margin | Net income / Revenue | 16.73% | 15.03% |

**DigiPlus Interactive Corp. and Subsidiaries**

**External Auditor Fee**
(All amounts in thousand Philippine Peso)

*Audits of the Consolidated Financial Statements and Separate Financial Statements of the Parent Company*

| | **2024** | **2023** |
|---|---|---|
| Total audit fees | 2,234 | 1,850 |
| Non-audit services fees: | | |
| Other assurance services | - | - |
| Tax services | - | - |
| All other services | - | - |
| Total non-audit fees | - | - |
| Total audit and non-audit fees | 2,234 | 1,850 |

*Audits of the Financial Statements of the Subsidiaries*

| | **2024** | **2023** |
|---|---|---|
| Total audit fees | 6,066 | 5,150 |
| Non-audit services fees: | | |
| Other assurance services | - | - |
| Tax services | - | - |
| All other services | - | - |
| Total non-audit fees | - | - |
| Total audit and non-audit fees | 6,066 | 5,150 |

**From:** noreply-cifssost@sec.gov.ph
**Sent:** Saturday, April 5, 2025 12:11 AM
**Subject:** SEC eFast Initial Acceptance

Warning: This email is from an external sender, be cautious! Do not open attachments or click on links if you do not recognize the sender!

Greetings!

**SEC Registration No:** 0000013174
**Company Name:** LEISURE & RESORTS WORLD CORP.
**Document Code:** AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

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TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instruction stated in the form.

Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer.

1. General Information Sheet (GIS-Stock)
2. General Information Sheet (GIS-Non-stock)
3. General Information Sheet (GIS- Foreign stock & non-stock)
4. Broker Dealer Financial Statements (BDFS)
5. Financing Company Financial Statements (FCFS)
6. Investment Houses Financial Statements (IHFS)
7. Publicly – Held Company Financial Statement
8. General Form for Financial Statements
9. Financing Companies Interim Financial Statements (FCIF)
10. Lending Companies Interim Financial Statements (LCIF)

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements.

A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

**SECURITIES AND EXCHANGE COMMISSION**
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

digiplus

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

Isla Lipana & Co., the independent auditors appointed by the stockholders for the years ended December 31, 2024 and 2023, respectively, have audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

SUBSCRIBED AND SWORN to before me this APR 04 2025 at TAGUIG CITY. Affiant exhibiting to me his/her P0992996B / valid 06 2294577 with No. P2919820C as strong proof of his/her identity.

**EUSEBIO H. TANCO**
*Chairman of the Board*

**TSUI KIN MING**
*President*

**WILFREDO M. PIELAGO**
*Treasurer and Chief Financial Officer*

Signed this ___

Doc. No. 404
~~Page No.~~ 83
Book No. II
Series of 2025

**MICHAEL OLIVER B. MAATA**
Notary Public for Taguig City
Until December 31, 2025
COMMISSION APPOINTMENT NO. 42 (2024-2025)
PTR No. A 6127855, 02 January 2024/Taguig City
IBP No. 388738, 02 January 2024/Makati City
Roll of Attorney No. 55919
Unit A 19F, Menarco Tower, 32nd Street
Bonifacio Global City, Taguig City
MCLE COMPLIANCE No. VII-0014743; 04/06/22

Outlook

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Hi LEISURE AND RESORTS WORLD CORPORATION,

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- <None>

Transaction Code: **AFS-0-XMXWVQT0QM3SVY4MP3YPY1ZW03QZRYT4W**
Submission Date/Time: **Apr 05, 2025 12:00 AM**
Company TIN: **000-108-278**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;

- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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# COVER SHEET
for
## AUDITED FINANCIAL STATEMENTS

SEC Registration Number

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 3 | 1 | 7 | 4 | | | | | | |

**COMPANY NAME**

D I G I P L U S  I N T E R A C T I V E  C O R P .

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

E C O P R I M E  B U I L D I N G ,  3 2 N D  S T R E E T
C O R N E R  N I N T H  A V E N U E ,  B O N I F A C I O
G L O B A L  C I T Y ,  T A G U I G  C I T Y

| Form Type | Department requiring the report | Secondary License Type, If Applicable |
|---|---|---|
| A A F S | C R M D | N / A |

**COMPANY INFORMATION**

| Company's Email Address | Company's Telephone Number | Mobile Number |
|---|---|---|
| inquiry@digiplus.com.ph | +632 8637-5291 to 93 | N/A |

| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
|---|---|---|
| 1,803 | July 26 | December 31 |

**CONTACT PERSON INFORMATION**

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

| Name of Contact Person | Email Address | Telephone Number/s | Mobile Number |
|---|---|---|---|
| Mr. Wilfredo Pielago | wilfredo.pielago@digiplus.com.ph | +632 8637-5291 to 93 | N/A |

**CONTACT PERSON's ADDRESS**

**Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City**

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

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

## Independent Auditor's Report

To the Board of Directors and Shareholders of
**DigiPlus Interactive Corp.**
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

***Report on the Audits of the Financial Statements***

### Our Opinion

In our opinion, the accompanying Parent Company financial statements present fairly, in all material respects, the financial position of the DigiPlus Interactive Corp. (the "Company") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

*What we have audited*

The financial statements of the Company comprise:

- the parent company statements of financial position as at December 31, 2024 and 2023;
- the parent company statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the parent company statements of changes in equity for the years ended December 31, 2024 and 2023;
- the parent company statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the parent company financial statements, comprising material accounting policy information and other explanatory information.

### Basis for our Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines "Code of Ethics", together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

***Report on the Bureau of Internal Revenue Requirement***

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Isla Lipana & Co.**

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 4, 2025

## Statement Required by Rule 68
## Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
**DigiPlus Interactive Corp.**
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited the financial statements of DigiPlus Interactive Corp. (the “Parent Company”) as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 4, 2025.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, the Parent Company has 1,677 shareholders owning one hundred (100) or more shares each as at December 31, 2024.

**Isla Lipana & Co.**

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 4, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

**Statement Required by Rule 68**
**Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
**DigiPlus Interactive Corp.**
Ecoprime Building, 32nd Street corner Ninth Avenue
Bonifacio Global City, Taguig City

We have audited the separate financial statements of DigiPlus Interactive Corp. (the "Parent Company") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 4, 2025. The supplementary information shown in *the Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration*, as additional component required by the Revised Rule 68 of the SRC, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in the audit of the basic separate financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

**Isla Lipana & Co.**

Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 3, 2025 at Makati City
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2024; issued on November 9, 2024; effective until November 8, 2027
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Makati City
April 4, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

**DigiPlus Interactive Corp.**

Parent Company Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in thousand pesos)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash | 2 | 378,330 | 74,509 |
| Dividends and other receivables, net | 3 | 1,555,645 | 1,555,645 |
| Due from related parties | 14 | 21,687,092 | 13,470,945 |
| Prepayments and other current assets | 4 | 80,833 | 45,360 |
| Total current assets | | 23,701,900 | 15,146,459 |
| **Non-current assets** | | | |
| Property and equipment, net | 5 | 116,261 | 87,634 |
| Investments and advances | 6 | 5,756,785 | 5,579,287 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 6 | 62,330 | 67,578 |
| Other non-current assets | 7 | 52,814 | 51,226 |
| Total non-current assets | | 5,988,190 | 5,785,725 |
| **Total assets** | | 29,690,090 | 20,932,184 |
| **Liabilities and Equity** | | | |
| **Current liabilities** | | | |
| Trade payables and other current liabilities | 8, 10 | 81,931 | 92,141 |
| Lease liability, current portion | 12 | 27,038 | 16,162 |
| Due to related parties | 14 | 584,001 | 3,475,782 |
| Income tax payable | | - | 15 |
| Total current liabilities | | 692,970 | 3,584,100 |
| **Non-current liabilities** | | | |
| Retirement benefit obligation | 13 | 22,539 | 11,602 |
| Lease liability, noncurrent portion | 12 | 64,085 | 60,526 |
| Total non-current liabilities | | 86,624 | 72,128 |
| **Total liabilities** | | 779,594 | 3,656,228 |
| **Equity** | | | |
| Share capital | 10 | 4,785,307 | 4,785,307 |
| Additional paid-in capital | 10 | 6,221,063 | 6,221,063 |
| Treasure shares | 10 | (377,647) | (377,647) |
| Fair value reserve | 6 | 483,651 | 488,899 |
| Retirement benefits reserve | | (7,852) | (1,173) |
| Other reserve | | 447,693 | - |
| Retained earnings | | | |
| Unappropriated | | 10,058,281 | 6,159,507 |
| Appropriated | | 7,300,000 | - |
| Total equity | | 28,910,496 | 17,275,956 |
| **Total liabilities and equity** | | 29,690,090 | 20,932,184 |

(The notes on pages 1 to 41 are integral part of these financial statements)

**DigiPlus Interactive Corp.**

Parent Company Statements of Total Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in thousand pesos)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **Revenue** | | | |
| Dividend income | 6,14 | 13,137,000 | 7,200,000 |
| Costs and expenses | 11 | (1,099,445) | (378,523) |
| **Income from operations** | | 12,037,555 | 6,821,477 |
| **Other expenses, net** | | | |
| Share in loss of a joint venture | 6 | (46,374) | (30,670) |
| Interest income | 2 | 7,647 | 273 |
| Interest expense | 12 | (4,533) | (3,721) |
| Others, net | | (2,142) | 564 |
| | | (45,402) | (33,554) |
| **Income before income tax** | | 11,992,153 | 6,787,923 |
| Provision for income tax | 15 | - | (15) |
| **Income for the year** | | 11,992,153 | 6,787,908 |
| **Other comprehensive loss for the year** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Changes in fair value on financial asset at FVOCI | 6 | (5,248) | (10,936) |
| Remeasurement loss on defined benefit obligation | 13 | (6,679) | (1,173) |
| | | (11,927) | (12,109) |
| **Total comprehensive income for the year** | | 11,980,226 | 6,775,799 |

(The notes on pages 1 to 41 are integral part of these financial statements)

## DigiPlus Interactive Corp.

Parent Company Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in thousand pesos)

| | Share Capital (Note 10) | | | | | | | Retained earnings (Deficit) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Common Shares | Preferred Shares | Additional paid-in capital (Note10) | Treasury shares (Note 10) | Fair value reserve (Note 6) | Retirement Benefits reserve (Note 13) | Other reserve (Note 13) | Unappropriated | Appropriated | Total |
| **Balances at January 1, 2023** | 4,094,107 | - | 5,066,759 | (377,647) | 499,835 | - | - | (628,401) | - | 8,654,653 |
| **Comprehensive income for the year** | | | | | | | | | | |
| Net Income for the year | - | - | - | - | - | - | - | 6,787,908 | - | 6,787,908 |
| Other comprehensive loss for the year | - | - | - | - | (10,936) | (1,173) | - | - | - | (12,109) |
| Total comprehensive income for the year | - | - | - | - | (10,936) | (1,173) | - | 6,787,908 | - | 6,775,799 |
| **Transaction with owners** | | | | | | | | | | |
| Issuance of treasury shares | 691,200 | - | 1,154,304 | - | - | - | - | - | - | 1,845,504 |
| **Balances at December 31, 2023** | 4,785,307 | - | 6,221,063 | (377,647) | 488,899 | (1,173) | - | 6,159,507 | - | 17,275,956 |
| **Comprehensive income for the year** | | | | | | | | | | |
| Net Income for the year | - | - | - | - | - | - | - | 11,992,153 | - | 11,992,153 |
| Other comprehensive loss for the year | - | - | - | - | (5,248) | (6,679) | - | - | - | (11,927) |
| Total comprehensive income for the year | - | - | - | - | (5,248) | (6,679) | - | 11,992,153 | | 11,980,226 |
| **Transactions with owners** | | | | | | | | | | |
| Cash dividends | - | - | - | - | - | - | - | (793,379) | - | (793,379) |
| Stock option reserves for the year | - | - | - | - | - | - | 447,693 | - | - | 447,693 |
| Appropriation of retained earnings | - | - | - | - | - | - | - | (7,300,000) | 7,300,000 | - |
| **Balances at December 31, 2024** | 4,785,307 | - | 6,221,063 | (377,647) | 483,651 | (7,852) | 447,693 | 10,058,281 | 7,300,000 | 28,910,496 |

(The notes on pages 1 to 41 are integral part of these financial statements)

**DigiPlus Interactive Corp.**

Parent Company Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Thousand Pesos)

| | Notes | 2024 | 2023 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Income before income tax | | 11,992,153 | 6,787,923 |
| Adjustment for: | | | |
| Reserve for employee stock options | 10 | 447,693 | - |
| Share in net loss of a joint venture | 6 | 46,374 | 30,670 |
| Depreciation and amortization | 5, 11 | 24,112 | 16,296 |
| Retirement benefit expense | | 4,258 | 2,119 |
| Interest expense | 12 | 4,533 | 3,721 |
| Interest income | 2 | (7,647) | (273) |
| Operating income before changes in assets and liabilities | | 12,511,476 | 6,840,456 |
| Decrease in: | | | |
| Dividends and other receivables | | - | (188) |
| Prepayments and other current assets | | (35,472) | (14,352) |
| Increase (decrease) in trade payables and other current liabilities | | (17,052) | 1,549 |
| Net cash generated from operations | | 12,458,952 | 6,827,465 |
| Income taxes paid | | (15) | - |
| Interest received | | 7,647 | 273 |
| Net cash provided by operating activities | | 12,466,584 | 6,827,738 |
| **Cash flows from investing activities** | | | |
| Dividends received | 14 | 13,137,000 | 7,230,000 |
| Increase in: | | | |
| Expenses paid in behalf of related parties | | (8,216,147) | (9,240,096) |
| Capital infusion to investments in subsidiaries | | (223,873) | (5,000) |
| Other noncurrent assets | | (1,588) | (1,760) |
| Additions to property and equipment | 5 | (17,783) | (4,306) |
| Net cash provided by (used in) investing activities | | 4,677,609 | (2,021,162) |
| **Cash flows from financing activities** | | | |
| Decrease in due to related parties | | (16,028,781) | (6,564,460) |
| Proceeds from: | | | |
| Short-term loan | | 5,000 | - |
| Issuance of capital stock | 10 | - | 1,845,504 |
| Payments of: | | | |
| Dividends | | (786,537) | - |
| Short-term loan | 9 | (5,000) | - |
| Interest | 9 | (100) | - |
| Principal portion of lease liability | 12 | (20,521) | (17,381) |
| Interest on lease liability | 12 | (4,433) | (3,721) |
| Net cash used in financing activities | | (16,840,372) | (4,740,058) |
| **Net increase in cash** | | 303,821 | 66,518 |
| Cash at beginning of year | | 74,509 | 7,991 |
| **Cash at end of year** | 2 | 378,330 | 74,509 |

(The notes on pages 1 to 41 are integral part of these financial statements)

**DigiPlus Interactive Corp.**

Notes to the Parent Company Financial Statements
As at and for the years ended December 31, 2024 and 2023
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

## 1. General information

### 1.1 Business information

DigiPlus Interactive Corp. (the Parent Company or “DigiPlus”) was registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1957.

The Parent Company is a public company under Section 17.2 of the Revised Securities Regulation Code (SRC) and its shares are listed on the Philippine Stock Exchange, Inc. (PSE).

The Parent Company’s primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as, but not limited to resorts, golf courses, clubhouses and sport facilities, hotels and gaming facilities, including but not limited to bingo parlors with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

On February 28, 2023, the SEC approved the change of the corporate name of the Parent Company from “Leisure & Resorts World Corporation” to “DigiPlus Interactive Corp.”. In view of the foregoing, in March 2023, the Parent Company changed its Stock Symbol from “LR” to “PLUS”.

In addition, the SEC approved the Parent Company’s change of business address from Pasig City to Taguig City. The Parent Company’s registered office address is Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

### 1.2 Approval of parent company financial statements

The accompanying Parent Company financial statements as at and for the year ended December 31, 2024, have been approved and authorized for issuance by the Board of Directors (BOD) on April 4, 2025.

## 2. Cash

Cash as at December 31 consist of:

| | 2024 | 2023 |
|---|---|---|
| Cash in banks | 377,980 | 74,309 |
| Cash fund | 350 | 200 |
| | 378,330 | 74,509 |

Cash in banks earn interest at the respective bank deposit rates.

Interest income recognized in profit or loss for the year ended December 31, 2024 amounted to P7,647 (2023 – P273).

## 3. Dividends and other receivables, net

Dividends and other receivables as at December 31 consist of:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Dividend receivables | 14 | 1,521,250 | 1,521,250 |
| Advances to: | | | |
| Stockholder | | 31,231 | 31,231 |
| Third parties | | 3,009 | 3,009 |
| Others | | 14,870 | 14,870 |
| | | 1,570,360 | 1,570,360 |
| Allowance for expected credit loss (ECL) on advances to third parties | | (3,009) | (3,009) |
| Allowance for ECL on other receivables | | (11,706) | (11,706) |
| | | (14,715) | (14,715) |
| | | 1,555,645 | 1,555,645 |

Advances to stockholders are unsecured, noninterest-bearing advances and collectible on demand.

Advances to third parties consist mainly of advance payments for a future project reimbursable from the project partner. These advances are noninterest-bearing, unsecured and collectible on demand.

Other receivables represent cash advances made to third party companies which are engaged in similar gaming and amusement activities as the Parent Company. These advances are noninterest-bearing, unsecured and collectible on demand.

For the years ended December 31, 2024 and 2023, the Parent Company did not recognize an additional provision for impairment of receivables.

The Parent Company's exposure to credit risk relating to receivables is disclosed in Note 17.2.

## 4. Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

| | 2024 | 2023 |
|---|---|---|
| Input value-added tax (VAT) | 38,018 | 18,848 |
| Advances to suppliers | 28,711 | 2,986 |
| Prepaid insurance | 4,060 | 3,470 |
| Advances to officers and employees | 3,543 | 11,748 |
| Prepaid taxes and licenses | 1,909 | 516 |
| Prepaid rent | 1,384 | 5,580 |
| Other prepayments | 3,208 | 2,212 |
| | 80,833 | 45,360 |

Advances to suppliers are down payments made to vendors that will be applied against future deliveries of goods and performance of services.

Advances to officers and employees are noninterest-bearing, unsecured and subject to liquidation within 12 months from the date granted or collectible in cash upon demand.

## 5. Property and equipment, net

Details and movements of property and equipment, net as at and for the years ended December 31 are as follows:

| | Office furniture, fixtures and equipment | Transportation equipment | Leasehold improvements | Computer software | Right-of-use assets (Note 12) | Total |
|---|---|---|---|---|---|---|
| **As at January 1, 2023** | | | | | | |
| Cost | 47,540 | 11,903 | 40,275 | 72,442 | - | 172,160 |
| Accumulated depreciation and amortization | (47,020) | (6,913) | (40,275) | (72,397) | - | (166,605) |
| Net carrying values | 520 | 4,990 | - | 45 | - | 5,555 |
| **Year ended December 31, 2023** | | | | | | |
| Opening net book values | 520 | 4,990 | - | 45 | - | 5,555 |
| Additions | 183 | 2,101 | 2,022 | - | 94,069 | 98,375 |
| Depreciation and amortization | (295) | (1,508) | (337) | (45) | (14,111) | (16,296) |
| Closing net carrying values | 408 | 5,583 | 1,685 | - | 79,958 | 87,634 |
| **As at December 31, 2023** | | | | | | |
| Cost | 47,723 | 14,004 | 42,297 | 72,442 | 94,069 | 270,535 |
| Accumulated depreciation and amortization | (47,315) | (8,421) | (40,612) | (72,442) | (14,111) | (182,901) |
| Net carrying values | 408 | 5,583 | 1,685 | - | 79,958 | 87,634 |
| **Year ended December 31, 2024** | | | | | | |
| Opening net book values | 408 | 5,583 | 1,685 | - | 79,958 | 87,634 |
| Additions | 1,899 | 15,804 | 80 | - | 34,956 | 52,739 |
| Depreciation and amortization | (353) | (2,825) | (415) | - | (20,519) | (24,112) |
| Closing net carrying values | 1,954 | 18,562 | 1,350 | - | 94,395 | 116,261 |
| **As at December 31, 2024** | | | | | | |
| Cost | 49,622 | 29,808 | 42,377 | 72,442 | 129,025 | 323,274 |
| Accumulated depreciation and amortization | (47,668) | (11,246) | (41,027) | (72,442) | (34,630) | (207,013) |
| Net carrying values | 1,954 | 18,562 | 1,350 | - | 94,395 | 116,261 |

## 6. Investments and advances, net

Investments and advances, net as at December 31 consist of:

| | Ref | 2024 | 2023 |
|---|---|---|---|
| Investment in subsidiaries, associates and a j venture, net | a | 5,051,034 | 4,873,536 |
| Advances, net | b | 705,751 | 705,751 |
| | | 5,756,785 | 5,579,287 |

*a. Investments in subsidiaries, associates and a joint venture*

Investments in subsidiaries, associates and a joint venture as at December 31, is composed of:

| | Percentage of ownership | 2024 | Percentage of ownership | 2023 |
|---|---|---|---|---|
| **Investments** | | | | |
| Subsidiaries: | | | | |
| AB Leisure Global, Inc. (ABLGI) | 100% | 1,550,000 | 100% | 1,550,000 |
| AB Leisure Exponent, Inc. (ABLE) | 100% | 750,000 | 100% | 750,000 |
| Total Gamezone Xtreme Incorporated (TGXI) | 100% | 652,000 | 100% | 652,000 |
| Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI) | 100% | 125,000 | - | - |
| LR Land Developers, Inc. (LRLDI) | 100% | 225,000 | 100% | 225,000 |
| First Cagayan Leisure & Resort Corporation (FCLRC) | 97.27% | 256,898 | 87.27% | 164,275 |
| Prime Investment Korea Inc., (PIKI) | 100% | 1,000 | 100% | 1,000 |
| LR Data Center and Solutions Inc. (LRDCSI) | 80% | 20,000 | 80% | 20,000 |
| Blue Chip Gaming & Leisure Corporation (BCGLC) | 100% | 19,628 | 100% | 19,628 |
| Diginvest Holdings Inc. (Diginvest) | 100% | 6,250 | - | - |
| Bingo Bonanza (HK) Limited (BBL) | 60% | 35 | 60% | 35 |
| | | 3,605,811 | | 3,381,938 |
| Associates: | | | | |
| Binondo Leisure Resources, Inc. (BLRI): | | | | |
| Common shares | 30% | 1,200 | 30% | 1,200 |
| Preferred shares | | 20,000 | | 20,000 |
| | | 21,200 | | 21,200 |
| Joint venture | | | | |
| HEPI | | | | |
| Cost | 51% | 750,938 | 51% | 750,938 |
| Accumulated share in net income: | | | | |
| Balance at beginning of year | | 740,695 | | 771,365 |
| Share in net loss | | (46,374) | | (30,670) |
| | | 1,445,259 | | 1,491,633 |
| Balance at end of year | | 5,072,269 | | 4,894,771 |
| Allowance for impairment | | (21,235) | | (21,235) |
| | | 5,051,034 | | 4,873,536 |

Investment in Subsidiaries

*ABLGI*

ABLGI was registered with the SEC on October 20, 2009. ABLGI was incorporated in the Philippines and its primary purpose is to acquire, own, use, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises such as but not limited to resorts, golf courses, clubhouses and sports facilities, hotels and gaming facilities, with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith. ABLGI started its operations on January 1, 2013.

ABLGI's registered office address is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

*ABLE*

ABLE was registered with the SEC on March 31, 1995. ABLE was incorporated in the Philippines and its primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

ABLE offers traditional and electronic bingo games on its bingo halls across the country. In January 2022, PAGCOR granted ABLE with an online traditional bingo license for its new application BingoPlus.

ABLE's registered office address is located at 5th Floor Units 536-544 Bldg. D SM Megamall, EDSA Brgy. Wack-Wack, Mandaluyong City.

*TGXI*

TGXI was registered with the SEC on June 27, 2014. TGXI was incorporated in the Philippines, with the primary purpose to engage in general amusement, gaming operations and recreation enterprises. Pursuant to Presidential Decree 1869, as amended, Philippine Amusement and Gaming Corporation (PAGCOR) granted the TGXI the privilege to establish, install, maintain, and operate a PAGCOR eGames Station (PeGS). PeGS is a gaming facility that offers virtual casino games. TGXI started commercial operations on July 16, 2014. TGXI operates PeGS in several locations across the country.

On November 12, 2020, the Parent Company subscribed to additional 320,000 common shares of TGXI for a total consideration of P32,000.

In February 2023, TGXI launched a new brand for its sports betting operations, ArenaPlus.

TGXI's principal office is at 35/F, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

On December 2, 2024, TGXI declared dividends amounting to P13,000,000 (2023 - P7,200,000).

*Gamemaster Integrated Inc.*

On October 18, 2017, Gamemaster Integrated Inc. (formerly G Boracay Beta Holding Corp.) (the "Company") was registered with Philippine Securities and Exchange Commission (SEC) primarily among others, to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including share of stocks, bonds, debentures, notes, evidences of indebtedness.

In September 2023, the Company applied for a change in its corporate name from "G Boracay Beta Holding Corp." to "Gamemaster Integrated Inc." and its primary purpose to engage in, purchase, acquire, establish, own, hold, sell, lease, conduct, operate, mange, and/or furnish general amusement, gaming operations and recreational services to the public such as, but not limited to, bingo games, electronic games, traditional bingo, electronic bingo, sports betting, social games, ballroom dancing, tea and garden parties, movie premiers, stage pl basketball games, concerts, variety shows and other similar related business activities, land-based gaming, remote gaming, electronic gaming and their facilities and other gaming ventures, including but not limited to integrated resort casinos, bingo parlors, lotto, games of chance, gaming marketing; and to carry on any lawful business activities and to do accomplishment of any of the purposes enumerated or incidental to the powers of the corporation. On September 15, 2023 the SEC approved the Company’s application to change its corporate name and primary purpose.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from G-Boracay Land Holdings Inc. (GBLHI) to DigiPlus Interactive Corp.

*LRLDI*

On December 10, 2007, the Parent Company incorporated LRLDI as its wholly-owned subsidiary. It is engaged in realty development and lease of properties. LRLDI started its operations in 2010.

LRLDI’s registered office address is located at 35/F, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

*FCLRC*

FCLRC was incorporated on April 26, 2000 and is a Cagayan Special Economic Zone and Freeport (CSEZFP) registered enterprise. FCLRC has an existing License Agreement with the Cagayan Economic Zone Authority (CEZA) to develop, operate and conduct internet and gaming enterprises and facilities in the CSEZFP. Pursuant to the License Agreement, FCLRC was issued the “CEZA Master Licensor Certificate” certifying that FCLRC is duly authorized to regulate and monitor, on behalf of CEZA, all activities pertaining to the licensing and operation of interactive games.

As Master Licensor in CEZA, FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the internet casino, in accordance with an agreed formula.

In 2024, the Parent Company acquired an additional 10% interest in the share of FCLRC, increasing its ownership interest to 97.27%. Cash consideration of P92,623 was paid to the non-controlling shareholders.

*PIKI*

PIKI was incorporated in the Philippines and its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property.

PIKI was licensed by PAGCOR to operate a junket within PAGCOR‘s Casino Filipino-Midas.

In November 2021, PIKI surrendered its license to PAGCOR and remained dormant as of December 31, 2024.

*LRDCSI*

LRDCSI was incorporated in the Philippines. LRDCSI is a technology company engaged in aggregating data and telecommunication services. LRDCSI’s revenue model involves acquiring services from local and foreign technology and telecommunications companies at wholesale rates, bundling said services and then reselling the services at retail rates. The Parent Company owns 80% of the outstanding share capital of LRDCSI. As of December 31, 2024, and 2023, LRDCSI has no operations.

LRDCSI’s registered office address is located at 26th Floor West Tower, PSE Center, Exchange Road, Ortigas Center, Brgy. San Antonio, Pasig City.

*BCGLC*

BCGLC was incorporated in the Philippines and its primary purpose is to provide investment, management counsel and to act as agent or representative for business enterprise engaged in gaming and recreation or leisure business. BCGLC started commercial operations in October 2009. BCGLC operates several PAGCOR VIP clubs.

Operations of the PAGCOR VIP clubs were suspended from March 16, 2020 to June 15, 2020 due to the mandated community quarantine of the Philippine government. Its operations resumed on June 16, 2020.

BCGLC's registered office address is at King's Royal Hotel and Leisure Park, Olongapo Gapan Road, Macabacle, Bacolor, Pampanga.

*Diginvest*

On September 30, 2024, Diginvest was incorporated as a wholly-owned subsidiary of DigiPlus with the primary purpose to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligations of any other corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefore in money or by exchanging therefore stocks, bonds, property or other evidence of indebtedness or securities of this or any corporation, stocks, bonds, debentures, contracts or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property, and to possess and exercise in receipt thereof all the rights, powers and privileges of ownership, including all voting powers or any stock so owned; without acting as a broker/dealer in securities.

The principal office of Digincest is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

*BBL*

BBL's primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. BBL was incorporated under the Companies Ordinance of Hong Kong. BBL started commercial operations in March 2012. It is currently non-operational and in the process of liquidation. The Parent Company provided in full impairment loss on the investment in BBL amounting to P35.

<u>Investment in Associates</u>

*BLRI*

BLRI was incorporated in the Philippines and is engaged in the hotel and recreation business. It started commercial operations in August 2003. BLRI is a company engaged in the business of leasing its gaming facilities to PAGCOR and its store and hotel facility to third parties.

The Parent Company recognized its share in net loss of BLRI up to the extent of investment cost. Unrecognized accumulated equity in net loss of BLRI amounted to P12,272 as at December 31, 2024 (2023 – P16,652). Unrecognized share in net income amounted to P4,380 and P4,079 in 2024 and 2023, respectively.

As at December 31, 2024 and 2023, investment in BLRI amounting to P21,200 has been fully impaired.

The summarized financial information of BLRI follows:

| | 2024 | 2023 |
|---|---|---|
| Current assets | 3,309 | 11,616 |
| Noncurrent assets | 777 | 777 |
| Current liabilities | (86,002) | (1[illegible]908) |
| Noncurrent liabilities | (5,658) | (5,658) |
| Total net liabilities | (87,574) | (102,173) |
| Investment in preferred shares | 20,000 | 20,000 |
| Equity attributable to common shares | (107,574) | (122,173) |
| Parent Company's share in net assets | (32,272) | (36,652) |
| Accumulated recognized share in net losses as at end of year for preferred shares | 20,000 | 20,000 |
| Accumulated unrecognized share in net losses as at end of year | 12,272 | 16,652 |
| Carrying amount of interest in an associate | - | - |
| Revenues | 29,833 | 28,802 |
| Net income/total comprehensive income | 14,599 | 13,595 |
| Company's unrecognized share of total comprehensive income | 4,380 | 4,079 |

Investment in a Joint Venture

*Investment in Hotel Enterprises of the Philippines, Inc. (HEPI)*

HEPI is a 51%-owned joint venture between DigiPlus and Eco Leisure. HEPI is engaged in the hotel and recreation business. The management, supervision and control of the operations, property and affairs of HEPI are vested in its BOD which consists of three (3) directors each from DigiPlus and Eco Leisure, and one (1) independent director nominated by both parties. Any decision is subject for approval of DigiPlus and Eco Leisure, and each party cannot direct decision on their own.

On March 10, 2016, the Amended Articles of Incorporation of HEPI amending Article II Primary Purpose, Article IV extending the term of the corporate existence of HEPI to another fifty (50) years from July 30, 2012.
There are no commitments and contingent liabilities recognized or expected to be recognized as at and for the years ended December 31, 2024 and 2023. HEPI's shares of stock are not quoted in an active market.

HEPI's principal place of business is at 2702 Roxas Boulevard, Pasay City.

In view of the continuing community quarantines and restricted travel in 2021 and 2020, HEPI has been affected by the lower number of guests and reduced room rates which significantly impacted the Parent Company's share in net losses of HEPI. The Parent Company determined this as an indicator of impairment and accordingly performed impairment assessment for its investment in HEPI. Based on the impairment assessment, the recoverable amount of the investment in HEPI exceeded its carrying amount, thus, no impairment loss was recognized.

Set out below is the summarized financial information of HEPI as at December 31, which, at the opinion of the management is material to the Parent Company.

*Summarized statements of financial position*

| | 2024 | 2023 |
|---|---|---|
| Current assets | 921,366 | 846,742 |
| Includes: | | |
| - Cash | 18,778 | 6,574 |
| Noncurrent assets | 4,137,895 | 4,201,571 |
| Current liabilities | (1,463,681) | (1,307,171) |
| Includes: | | |
| - Financial liabilities | (1,446,336) | (1,298,305) |
| Noncurrent liabilities | (761,740) | (816,372) |
| Net assets | 2,833,840 | 2,924,770 |

*Summarized statements of total comprehensive income*

| | 2024 | 2023 |
|---|---|---|
| Revenues | 390,334 | 382,356 |
| Costs and expenses | (420,295) | (408,096) |
| Depreciation and amortization | (112,863) | (103,413) |
| Other income, net | 4,383 | 44,461 |
| Income tax benefit | 47,512 | 24,554 |
| Loss for the year | (90,930) | (60,137) |
| Total comprehensive income for the year | (90,930) | (60,137) |

*Reconciliation of summarized financial information*

| | 2024 | 2023 |
|---|---|---|
| Net assets | | |
| At January 1 | 2,924,770 | 2,984,907 |
| Loss for the year | (90,930) | (60,137) |
| At December 31 | 2,833,840 | 2,924,770 |
| | | |
| At January 1 | 1,491,633 | 1,522,303 |
| Share in net loss for the year | (46,374) | (30,670) |
| Investment in joint venture | 1,445,259 | 1,491,633 |

There were no dividends received for the years ended December 31, 2024 and 2023.

*Advances*

Advances as at December 31 consist of:

| | 2024 | 2023 |
|---|---|---|
| Advances to HEPI | 703,651 | 703,651 |
| Advances to third parties | 120,276 | 120,276 |
| Less: Allowance for impairment of advances | (120,276) | (120,276) |
| | | - |
| Advances for projects | 117,100 | 117,100 |
| Less: Allowance for impairment | (115,000) | (115,000) |
| | 2,100 | 2,100 |
| | 705,751 | 705,751 |

*Advances to HEPI*

These are cash advances provided into HEPI for its working capital requirements.

*Advances to third parties*

This account mainly pertains to the noninterest-bearing advances are in relation to the joint venture agreement between a third party and the Parent Company. This also includes cash advances to a third party for the purpose of securing leased premises for the operation of a VIP Club by PAGCOR. The advances are unsecured and noninterest-bearing.

*Advances for projects*

The Parent Company made several cash advances to third party for future projects The advances are unsecured, noninterest-bearing and due upon demand but not expected to be settled within one year.

The advances for projects was provided with an allowance for ECL amounting to P115,000 as at December 31, 2024 and 2023.

Financial assets at FVOCI

In 2014, the Parent Company acquired 1,093,000 shares of DFNN at a cost of P7,437.

On August 13, 2015, the Parent Company's advances to DFNN of P86,000 have been converted into 18,105,263 common shares at DFNN while the accumulated interest earned of P12,691, from date of Conversion Notice to the date of conversion, have been converted into 2,671,783 common shares of DFNN on October 30, 2015. The fair value of 18,105,263 and 2,671,783 common shares as at the date of conversion were P5.15 and P6.04 per share, respectively.

The conversion resulted in 8.76% equity ownership of LRWC over DFNN. As the management does not intend to hold the investment the trading, the total converted amount of P62,330 as at December 31, 2024 (2023 – P67,578) has been classified as financial assets at FVOCI in the statements of financial position.

As at December 31, the carrying value of FVOCI are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at beginning of year | 67,578 | 78,514 |
| Unrealized loss during the year | (5,248) | (10,936) |
| Balance at end of year | 62,330 | 67,578 |

The market prices of DFNN common shares as at December 31, 2024 is P2.85 (2023 - P3.09).

**7. Other non-current assets**

Other non-current assets as at December 31 consist of:

| | Note | 2024 | 2023 |
|---|---|---|---|
| Input VAT | | 26,836 | 26,836 |
| Rent deposits | 12 | 14,125 | 11,274 |
| Premium on group pension plan | | 6,619 | 6,619 |
| CWT, net | | 121 | 121 |
| Others | | 5,113 | 6,376 |
| | | 52,814 | 51,226 |

Others mainly pertain to cash bonds issued by the Parent Company.

## 8. Trade payables and other current liabilities

Trade payables and other current liabilities as at December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Payable to: | | |
| Suppliers | 60,169 | 73,173 |
| Government agencies | 9,908 | 9,970 |
| Accrued salaries, wages and employee benefits | 11,854 | 8,998 |
| | 81,931 | 92,141 |

Payable to suppliers pertains to various suppliers such as contracted services, utilities, and other miscellaneous expenses. These are unsecured and to be settled within one year.

Payable to government agencies pertains to payments for final withholding taxes and other regulatory agencies that are expected to be settled within one year.

## 9. Loans payable

On June 24, 2024, the Parent Company entered into a 179-day short-term loan agreement with Sterling Bank of Asia amounting to P5,000 with annual interest rate of 8.00% maturing on December 20, 2024. In September 2024, the Parent Company fully settled the loan.

Interest expense recognized in the Parent Company statements of total comprehensive income for the year ended December 31, 2024 amounted to P100 (2023 - nil).

## 10. Equity

The composition of the Company's share capital as at December 31 is as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | Number of shares | Amount | Number of shares |
| Capital Stock | | | | |
| Authorized: | | | | |
| Common shares - P1 par value | 7,000,000 | 7,000,000,000 | 7,000,000 | 7,000,000,000 |
| Balance at beginning of year | 4,785,307 | 4,785,306,666 | 4,094,107 | 4,094,106,666 |
| Issued during the year | - | - | 691,200 | 691,200,000 |
| Balance at end of year | 4,785,307 | 4,785,306,666 | 4,785,307 | 4,785,306,666 |

<u>Capital stock</u>

Pursuant to the registration statement rendered effective by the SEC on February 6, 1958 and permit to sell issued by the SEC dated February 6, 1958 - 15,000 common shares of the Parent Company were registered and may be offered for sale at an offer price of P1.33 per common share.

On June 18, 2013, the SEC approved the increase in the Parent Company's authorized capital stock from P1,600,000 to P5,000,000 divided into 2,500,000 common shares and 2,500,000 preferred shares with each class having a par value of P1 per share. The preferred shares may be issued in tranches or series and shall be non-voting, non-participating, entitled to preferential and cumulative dividends at the rate not exceeding 12% per annum, and shall have such other rights, preferences, restrictions and qualifications as may be fixed by the BOD at their issuance.

The preferred shares have a coupon rate of 8.5% per annum and are paid semi-annually. These preferred shares are cumulative, non-voting and non-participating. Twenty (20) preferred shares will entitle each investor to one warrant. Each warrant, if exercised at a price of P15 or the average weighted trading price for the three months prior (whichever is lower) will be converted to one common share. This option will be exercisable starting on the fifth year until the eighth year.

On January 11, 2019, the Parent Company's BOD and stockholders approved the issuance of up to 1,300,147 common shares from the unissued capital stock through a private placement at a price based on a premium over the DigiPlus' shares closing price on November 29, 2018.

In March and April 2019, 1,217,647 common shares were subscribed at P3.60 per share by virtue of the subscription agreements entered into by the Parent Company with its investors. Transactions costs related to the share issuance amounting to P16,604 are recognized as deduction to additional paid-in capital.

On January 31, 2020, the Parent Company redeemed all of its 1,650,000 preferred shares at P1.00 per share. The redeemed preferred shares are not cancelled, thus, accounted and presented as treasury shares in the Parent Company statements of changes in equity.

On June 15, 2021 and July 30, 2021, the BOD and stockholders of Parent Company respectively approved the reclassification of DigiPlus' 1.5 billion preferred shares into common shares. On May 20, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this reclassification. On November 22, 2021 and January 7, 2022, the BOD and stockholders respectively approved the reclassification of the remaining 1.0 billion preferred shares into common shares. On May 26, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this further reclassification.

On March 7, 2022, the BOD approved and authorized the issuance of 1,272,352,512 common shares at an issue price of P1.65 per share to various subscribers. Pursuant to the Subscription Agreements, the payment of the subscription price to DigiPlus shall be fully paid by the subscribers within 90 days from signing of their respective Subscription Agreements, which will fall on June 9, 2022. On May 10, 2022, the Board approved the extension of the deadline to pay up to August 9, 2022. On August 8, 2022, the Parent Company received the full payment of the subscription amount from all the private placement subscribers. The 1,272,352,512 subscribed shares were issued from the 1,650,000,000 treasury shares. Transaction costs related to share issuances amounting to P12,723 are recognized as deduction to additional paid-in capital.

On September 15, 2022, the BOD of the Parent Company approved the increase of the Company's authorized capital stock from P5 billion to P7 billion. On November 24, 2022, the amendment was approved by the stockholders. On September 12, 2023, the SEC approved the increase of the Company's capital stock and the issuance of 691.2 shares at P2.68 per share to its subscribers. Proceeds from the issuance of capital stock amounted to P1,845,504. Transaction costs related to share issuance amounting to P6,912 are recognized as deduction to additional paid-in capital.

As of December 31, 2024, and 2023, the Parent Company has 1,803 and 1,823 common stockholders, respectively.

Warrants

On June 10, 2013, the BOD of the Parent Company approved the listing of 1,650,000 newly issued preferred shares and 82,500,000 warrants. The said listing was completed in December 2013.

On December 5, 2013, the BOD approved to change the expiry date of the warrants issued by the Parent Company to September 2021.

In September 2021, 26,606,666 warrants were exercised and converted into shares for an exercise price of P1.503 per share, which is the weighted average trading price for three (3) months prior to the exercise date with a 10% discount. Consequently, common shares with par value aggregating to P26,607 were issued for the exercised warrants resulting in additional paid-in capital of P13,383.

The remaining 55,893,334 warrants which were not exercised in September 2021 are deemed expired and are no longer exercisable.

Declaration of cash dividends

On March 19, 2024, Parent Company's BOD approved the declaration of cash dividends to all stockholders amounting to P0.18 per outstanding common share. The cash dividends were paid on April 18, 2024 to stockholders of record as of April 4, 2024.

There were no cash dividends declared by the BOD to common stockholders of the Parent Company in 2023.

For the year ended December 31, 2024, the Parent Company paid dividends amounting to P786,537 (2023 - nil).

As at December 31, 2024, unpaid dividends, included under "Trade and other payables" account in the Parent Company statements of financial position amounted to P6,842 (2023 - nil) (Note 12).

*Subsequent event*

On March 07, 2025, Parent Company's BOD approved the declaration of cash dividends to all stockholders amounting to P0.86 per outstanding common share. The cash dividends will be payable on April 4, 2025 to stockholders of record as of March 24, 2025.

Appropriation of Retained Earnings

On December 14, 2024, the BOD passed a resolution to appropriate retained earnings amounting to P7,300,000. This allocation is designated to fund the approved capital expenditures, provide financial support for the Brazil project, and facilitate the distribution of cash dividends in 2025.

Treasury Shares

Details of treasury shares are as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Amount | Number of shares | Amount | Number of shares |
| Capital Stock | | | | |
| Authorized: | | | | |
| Common shares - P1 par value | 7,000,000 | 7,000,000,000 | 7,000,000 | 7,000,000,000 |
| Balance at beginning of year | 377,647 | 377,646,488 | 377,647 | 377,646,488 |
| Issuance of shares | - | - | - | - |
| Balance at end of year | 377,647 | 377,646,488 | 377,647 | 377,646,488 |

Employee Stock Option Plan

The establishment of the employee share option plan ("the Plan") was approved by the BOD of the Parent Company and the stockholders on January 31, 2023 and March 27, 2023, respectively. The Plan was established to recognize the contributions of key individuals within the Group whose contributions are essential to growing the business and delivering long-term shareholder returns. Under the Plan, the participants are granted options which will vest in accordance with the Parent Company's vesting policy and the fair value of each option is estimated on the grant date using an appropriate valuation model.

On July 4, 2024, the SEC approved the Parent Company's application for exemption from registration of the Plan.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. Each option can be converted to a single share at an exercise price depending on the volume weighted average of share price for the 30-trading days immediately prior to the grant date.

The Plan is administered by the Compensation Committee of the Board, and its sub-committee specially created for purposes of administering the Plan, which is consolidated in accordance with the principles in Note 18.19. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. Any proceeds received, net of directly attributable transactions costs, are credited directly to equity.

Set out below are summaries of options granted under the plan:

| | 2024 | 2023 |
|---|---|---|
| At January 1 | 78,569,564 | - |
| Granted during the year | 75,689,569 | 78,569,564 |
| At December 31 | 154,259,133 | 78,569,564 |
| Vested and exercisable at December 31 | 25,927,956 | - |

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates:

| Grant date | Expiry date | Share options December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Batch 1 | | | |
| Tranche 1 - April 1, 2023 | January 1, 2029 | 25,927,956 | 25,927,956 |
| Tranche 2 - April 1, 2023 | January 1, 2030 | 25,927,956 | 25,927,956 |
| Tranche 3 - April 1, 2023 | January 1, 2031 | 26,713,652 | 26,713,652 |
| Batch 2 | | | |
| Tranche 1 - November 12, 2024 | January 1, 2030 | 24,977,557 | - |
| Tranche 2 - November 12, 2024 | January 1, 2031 | 24,977,558 | - |
| Tranche 3 - November 12, 2024 | January 1, 2032 | 25,734,454 | - |
| Total | | 154,259,133 | 78,569,564 |
| Weighted average remaining contractual life of options outstanding at end of period | | 5.51 | 6.02 |

The assessed fair value at grant date of options granted during the year ended December 31, 2024 was P12.70 per option (2023 – P1.42 per option). The fair value at grant date is independently determined using a Modified Binomial Tree Model that takes into account the stock price volatility, risk-free rate, dividend yield, employee exercise behavior and forfeiture rates. The fair value is recognized as an expense over the relevant service period, which is the vesting period of the options.

The model inputs for options granted during the year ended December 31, 2024 included:

(a) options are granted for no consideration and vest based on the terms of the plan. Vested options are exercisable for a period of five years after vesting,
(b) grant date: November 12, 2024 (2023 - April 1, 2023),
(c) expiry date: 31 October 2029 (2023 - 31 October 2028),
(d) strike price: P12.94 (2023: P2.68)
(e) share price at grant date: P19.90 (2023 – P2.66),
(f) expected dividend yield: 0.15% (2023 – 0.87%)

The compensation expense recognized during the year ended December 31, 2024 amounted to P447,693 which is presented under cost and operating expenses in the Parent Company statements of total comprehensive income.

As at December 31, 2024, the stock option reserve arising from the Plan amounted to P447,693.

## 11. Costs and operating expenses

Costs and operating expenses for the years ended December 31 consist of:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Salaries, wages and other benefits | | 766,382 | 224,223 |
| Donations | | 69,623 | 1,000 |
| Professional fees and directors' fees | | 57,730 | 48,384 |
| Contracted services | | 53,285 | 30,531 |
| Depreciation and amortization | 5 | 24,112 | 16,296 |
| Transportation and travel | | 20,258 | 2,984 |
| Advertising and marketing | | 8,433 | 5,930 |
| Subscriptions and membership fees | | 8,429 | 4,250 |
| Listing and filing fees | | 7,606 | 754 |
| Rent | 12 | 6,421 | 8,536 |
| Taxes and licenses | | 5,933 | 7,000 |
| Representation and entertainment | | 4,898 | 3,345 |
| Printing and office supplies | | 3,376 | 3,445 |
| Communication and utilities | | 2,912 | 5,242 |
| Insurance | | 1,721 | 1,777 |
| Repairs and maintenance | | 979 | 904 |
| Others | | 57,347 | 14,922 |
| | | 1,099,445 | 378,523 |

## 12. Lease agreements

*Parent Company as a lessee*

The Parent Company has a lease contract related to its office space at 26th floor of West Tower, the Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City along with 28 parking lots. The lease is for a period of three (3) years commencing on January 15, 2017 until January 14, 2020. The Parent Company renewed the contract for a period of three (3) years from January 15, 2020 to January 14, 2023 based on mutual agreement by both parties.

Effective January 14, 2021, the Company pre-terminated the rent of two (2) office units, with a total area of 422 square meters.

Effective January 14, 2022, the Company pre-terminated the rent of ten (10) office units, with a total area of 1,439 square meters, 28 parking slots, and two (2) storage units.

On July 31, 2023, the Company terminated the lease contract of the remaining two (2) office units.

In 2023, The Parent Company entered into lease agreements for its new office spaces. The lease is for a period of five (5) years commencing on April 1, 2023 and ending on March 31, 2028. The lease amounts are computed on a fixed rate per square meter subject to 5% escalation to begin on the third year of the term.

The lease agreements are non-cancellable and provide for, among others, rental deposits which are refundable upon termination of the lease. The rental deposits recognized in the statements of financial position of the Parent Company as at December 31, 2024 amounted to P14,125 (2023 - P11,274) (Note 7).

The Parent Company's right-of-use assets are presented under property and equipment (Note 5).

The following are recognized in the Parent Company statement of total comprehensive income for the years ended December 31:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Amortization expense of right-of-use assets | 5 | 20,519 | 14,111 |
| Expenses relating to short-term leases | 11 | 6,421 | 8,536 |
| Interest expense on lease liability | | 4,533 | 3,721 |
| | | 31,473 | 26,367 |

The movements of lease liabilities for the years ended December 31 is as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at beginning of year | 76,688 | - |
| Additions | 34,956 | 94,069 |
| Interest expense | 4,533 | 3,721 |
| Principal payment | (20,521) | (17,381) |
| Payments of interest | (4,533) | (3,721) |
| Balance at end of year | 91,123 | 76,688 |
| Current portion of lease liability | 27,038 | 16,162 |
| Lease liability, net of current portion | 64,085 | 60,526 |

The Parent Company has no lease contracts that contain variable payments.

Maturity analysis of the undiscounted lease payments are as follows:

| | 2024 | 2023 |
|---|---|---|
| Less than 1 year | 31,646 | 20,302 |
| More than 1 year to 2 years | 33,228 | 21,063 |
| More than 2 years to 3 years | 34,889 | 22,116 |
| More than 3 years to 4 years | - | 23,222 |
| | 99,763 | 86,703 |

**13. Retirement benefit obligation**

The Parent Company participates in a multi-employer defined benefit retirement plan (the “Plan”) administered by ABLE, a subsidiary.

Under the Plan, the mandatory retirement age is sixty-five (65) with at least five (5) years of service, and the retirement benefit equivalent to one half of final salary per year of credited service. The computation of the one-half month’s salary shall be consistent with the definition set forth under the Republic Act 7641 or the Philippine Retirement Law.

The Company’s latest actuarial valuation reports is dated December 31, 2024. The actuarial valuations are obtained on a periodic basis. The retirement benefits are determined using the projected unit credit method.

In January 2023, ABLE transferred a portion of the retirement benefit obligation related to the Parent Company’s employees amounting to P11,602.

The total retirement expense charged to profit or loss for the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Current service cost | 3,539 | 1,512 |
| Interest cost | 719 | 607 |
| Retirement benefit expense | 4,258 | 2,119 |

The movements in the present value of defined benefit obligation during the years ended December 31 are as follows:

| | 2024 | 2023 |
|---|---|---|
| Balance at the beginning of the year | 11,602 | - |
| Transfer from ABLE | - | 8,310 |
| Current service cost | 3,539 | 1,512 |
| Interest cost | 719 | 607 |
| Remeasurement loss | 6,679 | 1,173 |
| At end of the year | 22,539 | 11,602 |

The principal assumptions used in determining defined benefit obligations for the Company's plans for the years ended December 31 are shown below:

| | 2024 | 2023 |
|---|---|---|
| Discount rate | 6.20% | 6.20% |
| Future salary increases | 7.00% | 5.00% |

*Discount rate*

The discount rate is determined by reference to yields on government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

*Future salary increases*

Future salary increases and pension increases are based on expected future inflation rates for the specific country.

*Mortality rate*

Assumptions for mortality rate are based on the 2017 Philippine Intercompany Mortality Table. Assumptions for disability rates are based on the 2013 SSS Total Disability Rates (Baseline Scenario). Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

The weighted average duration of the defined benefit obligation for the year ended December 31, 2024 is 5.4 years (2023 - 5.7 years).

The defined benefit obligation is exposed to actuarial risks such as longevity risk and interest rate risk.

Funding

The Parent Company does not have a formal retirement plan. Benefit claims under the retirement obligation are paid directly by ABLE when they become due.

Asset-liability matching

The Parent Company has no plan assets to match against liabilities under the retirement obligation.

## 14. Related party disclosures

Other than those disclosed in Notes 3 and 8, the Parent Company's significant transactions and balances with related parties are as follows:

| | Terms and conditions | Transactions 2024 | Transactions 2023 | Balances Due from (due to) 2024 | Balances Due from (due to) 2023 |
|---|---|---|---|---|---|
| a) Advances | | | | | |
| Subsidiaries | These pertain to expenses of the subsidiaries that are paid in its behalf by the Parent | 8,210,068 | 9,240,096 | 21,505,162 | 13,295,094 |
| Entities under common control | Company. Such expenses are accordingly reimbursed at cost to its related party.<br><br>Amounts are payable in cash on a gross basis. These are due and demandable; noninterest-bearing; and unsecured. | 6,079 | - | 6,120 | 41 |
| | | 8,216,147 | 9,240,096 | 21,511,282 | 13,295,135 |
| b) Management income Subsidiaries | The Parent Company executed a management agreement with its subsidiaries, where the former provides certain management and administrative services for the latter. The agreement was terminated in 2020 and the balances remains outstanding as at December 31, 2023 and 2022. | - | - | 175,810 | 175,810 |
| | | 8,216,147 | 9,240,096 | 21,687,092 | 13,470,945 |
| c) Advances from subsidiaries | In the ordinary course of business, certain expenses of the Parent Company are paid on its behalf by its subsidiaries. Such expenses are accordingly reimbursed at cost to its subsidiaries.<br><br>Amounts are payable in cash on a gross basis. These are due and demandable; noninterest bearing; unsecured. | 2,891,781 | (636,204) | (584,001) | (3,475,782) |
| Dividends | On December 2, 2024, TGXI declared cash dividends amounting to P13,000,000 to its stockholders of records as of December 31, 2024.<br>The dividend collected was used as settlement to TGXI for the Parent Company's advances. | 13,000,000 | - | 1,521,250 | 1,521,250 |
| | On December 2, 2024, Gamemaster declared cash dividends amounting to P137,000 to its stockholders of records as of December 31, 2024.<br>The dividend collected was used as settlement to Gamemaster for the Parent Company's advances. | 137,000 | - | | |
| | On December 4, 2023, TGXI declared cash dividends amounting to P7,200,000 to its stockholders of records as of December 31, 2023.<br>The dividend collected was used as settlement to TGXI for the Parent Company's advances. | | 7,200,000 | | |

There are no collaterals held or guarantees issued with respect to related party transactions and balances.

The details of key management compensation are as follows:

| | 2024 | 2023 |
|---|---|---|
| Salaries and employee benefits | 53,639 | 27,810 |
| Directors' fees | 16,100 | 7,656 |
| | 69,739 | 35,466 |

## 15. Income tax

The reconciliation of income tax expense is as follows:

| | 2024 | 2023 |
|---|---|---|
| Income before income tax | 11,992,153 | 6,787,922 |
| Income tax using statutory tax rate 25% | 2,998,038 | 1,696,981 |
| Additions to (reductions in) income taxes resulting from tax effects of: | | |
| Non-taxable income | (3,284,250) | (1,800,000) |
| Change in unrecognized deferred tax assets | 274,828 | 89,303 |
| Share in loss of a joint venture | 11,594 | 7,667 |
| Nondeductible expenses | 1,702 | 6,132 |
| Interest income subjected to final tax | (1,912) | (68) |
| | - | 15 |

As at December 31, the Parent Company's unrecognized deferred tax assets pertain to the following items:

| | 2024 | 2023 |
|---|---|---|
| NOLCO | 432,290 | 270,450 |
| Retirement obligation | 5,635 | 2,900 |
| Share based compensation expense | 111,923 | - |
| Right-of-use asset | (23,599) | (19,990) |
| Lease liability | 22,781 | 19,172 |
| Allowance for ECL | 3,679 | 3,679 |
| MCIT | 15 | 15 |
| Others | (1,671) | - |
| | 551,053 | 276,226 |

Deferred tax assets were not recognized since management believes it is not probable that future taxable profit will be available against which the Parent Company can utilize the benefits therefrom.
The Parent Company has incurred NOLCO which can be claimed as deduction from future taxable income. Details of which are shown below:

| Year incurred | Expiry date | Amount | 2024 | 2023 |
|---|---|---|---|---|
| 2024 | 2027 | 647,360 | 647,360 | - |
| 2023 | 2026 | 379,407 | 379,407 | 379,407 |
| 2022 | 2025 | 255,323 | 255,323 | 255,323 |
| 2021 | 2026 | 213,927 | 213,927 | 213,927 |
| 2020 | 2025 | 233,144 | 233,144 | 233,144 |
| | | | 1,729,161 | 1,081,801 |

The carryforward benefit of the excess of MCIT over regular corporate income tax in 2024 of P15 can be credited against income tax until December 31, 2025.

## 16. Critical accounting estimates and assumptions

*Use of estimates and judgment*

The preparation of the parent company financial statements in accordance with PFRS, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the parent company financial statements. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the estimates anti judgments are revised and in any future periods affe l.

Information about critical judgments and estimates in applying accounting policies that have the most significant effects on the amounts recognized in the parent company financial statements is as follows:

### 16.1 Judgments

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

*Determination and classification of a Joint Arrangement*

The Parent Company determines a joint arrangement in accordance with its control over the entity or joint operations rather than its legal form. The Parent Company's investment in a joint venture is structured in a separate incorporated entity. The joint venture agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Parent Company and the parties to the agreement only have rights to the net assets of the joint venture through the terms of the contractual arrangements.

The Parent Company has determined its involvement in the joint arrangement and determined that its investment is classified as a joint venture. Although the Parent Company has 51% ownership in HEPI, the shareholders' agreement provides for equal representation in the BOD and joint control over the joint venture.

*Recoverability of investment in subsidiaries, associates and joint venture*

The Company's investments in subsidiaries and associate are carried at cost. The carrying value is reviewed and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management further believes that the carrying amount of its remaining investment in subsidiaries and associate, net of allowance for impairment, is recoverable.

The Parent Company assess recoverability of investments in subsidiaries, associates and joint venture whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The factors that the Parent Company consider important, which could trigger an impairment review include the following:

- A downgrade of subsidiary or joint venture's credit rating or a decline in the fair value of the associate or joint venture in consideration of other available information
- significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the subsidiary or joint venture operates.

The COVID-19 pandemic significantly affected the Parent Company's subsidiaries and joint venture's operations. In 2022 and 2021, with the ease of quarantine restrictions, the subsidiaries and joint venture shown recovery in terms of earning net income or reduced net losses. In 2024, the subsidiaries and joint venture continued to show positive results of operations or reduced net losses.

Based on the assessment, the Parent Company assessed that the investment in subsidiaries and joint venture as at and for the years ended December 31, 2024 and 2023 is not impaired.

The carrying value of the Parent Company's investment in subsidiaries and joint venture amounted to P5,051,034 as at December 31, 2024 (2023 - P4,873,536) (Note 6).

### 16.2 Estimates

The key assumptions concerning the future and other key sources of estimation at the end of reporting period that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

*Estimating allowance for expected credit losses*

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using ECLs. ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Parent Company used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgements.

The Parent Company also evaluates specific account of debtors who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to, the debtor's payment history and the result of the Parent Company's follow-up action to recover overdue debts.

Any change in the Parent Company's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

As at December 31, 2024, the aggregate carrying amounts of dividends and other receivables and due from related parties amounted to P23,242,737 (2023 – P15,026,590). As at December 31, 2024 and 2023, the allowance for ECL amounted to P14,715 (Note 3).

*Estimating realizability of deferred tax assets*

The Parent Company reviews the carrying amount of deferred tax assets at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Parent Company also reviews the expected timing and tax rates upon reversal of the temporary differences and adjusts the impact of deferred tax accordingly. The Parent Company's assessment on the recognition of deferred tax assets is based on the forecasted taxable income of the subsequent reporting periods. This forecast is based on the Parent Company's past results and future expectations on revenues and expenses. The Parent Company's unrecognized deferred tax assets amounted to P551,053 in 2024 (2023 – P276,226) (Note 22).

## 17. Financial risk and capital management objectives and policies

### 17.1 Financial risk management objectives and policies

The Parent Company has exposure to the following risks from its use of financial instruments:

- *Credit risk*
- *Liquidity risk*
- *Market risk*

This note presents information about the Parent Company's exposure to each of the above risks, the Parent Company's objectives, policies and processes for measuring and managing risks, and the Parent Company's management of capital.

The main purpose of the Parent Company's dealings in financial instruments is to fund its operations and capital expenditures. The Parent Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The Board of Directors of the Parent Company holds overall responsibility for the company's risk management policy. To ensure robust oversight, the Board has established the Board Risk Oversight Committee (BROC) which is responsible for supervising and continuously evaluating the effectiveness and adequacy of the company's Enterprise Risk Management (ERM) framework.

To support this function, the Management Risk Oversight Committee (MROC) is tasked with identifying, assessing, mitigating, and monitoring risks that may impact the Group's strategic, financial, operational, and compliance objectives. The MROC regularly reports its risk assessments and mitigation efforts to the BROC, ensuring alignment, transparency, and an integrated approach to risk governance across the organization.

The Parent Company's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Parent Company's operations and forecasted results.

The Parent Company, through its training and management standards and procedures, aims to develop disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Parent Company's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Parent Company's corporate governance process relating to the: a) quality and integrity of the Parent Company's financial statements and financial reporting process and the Group's systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the Parent Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance by the Group with legal and regulatory requirements, including the Group's disclosure control and procedures; and e) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review the reports required to be included in the Group's annual report. The results of procedures performed by Internal Audit are reported to the Audit Committee. On the other hand, the Audit Committee reports all the issues identified over the financial reporting of the Group to the BOD on a regular basis

**17.2 Credit risk**

Credit risk represents the risk of loss the Parent Company would incur if customers and counterparties fail to perform their contractual obligations. The Parent Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Parent Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk. Further, the Parent Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Financial information on the Parent Company's maximum exposure to credit risk as at December 31, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

| | Notes | 2024 | 2023 |
|---|---|---|---|
| Cash in banks | 2 | 377,980 | 74,309 |
| Dividends and other receivables, gross | 3 | 1,570,360 | 1,570,360 |
| Due from related parties | 14 | 21,687,092 | 13,470,945 |
| Rent deposits* | 7 | 14,125 | 11,274 |
| Advances to HEPI | 6 | 703,651 | 703,651 |
| | | 24,353,208 | 15,830,539 |

**Included as part of "Other noncurrent assets" in the parent company statements of financial position.*

*Cash in banks*

The management evaluates the financial condition of the banking industry and bank deposits investments are maintained with reputable banks only.

*Dividends and other receivables and due from related parties*

Dividends and other receivables and due from related parties arising from management fees, interest receivable and advances are collectible on demand and therefore, expected credit losses are based on the assumption that repayment of balances outstanding are demanded at the reporting date.

The Parent Company limits its exposure to credit risk by only financing the operations of related parties that have viable operations and likewise engaged in gaming amusement activities.

*Rental deposits*

The management prefers well known business establishments in the selection of location of its office spaces to ensure recovery of the rental and other deposits upon termination of the lease agreements.

*Aging analysis*

Set out below is the aging of financial assets as at December 31:

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Days past due | | | | | |
| | Current | 30 days | 60 days | More than 90 days | ECL | Total |
| Cash in banks | 377,980 | - | - | - | - | 377,980 |
| Receivables, net | - | - | - | 1,570,360 | (14,715) | 1,555,645 |
| Due from related parties | 21,687,092 | - | - | - | - | 21,687,092 |
| Rent deposits* | 14,125 | - | - | - | - | 14,125 |
| Advances to HEPI | 703,651 | - | - | - | - | 703,651 |
| | 22,782,848 | - | - | 1,570,360 | (14,715) | 24,338,493 |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Days past due | | | | | |
| | Current | 30 days | 60 days | More than 90 days | ECL | Total |
| Cash in banks | 74,309 | - | - | - | - | 74,309 |
| Receivables, net | - | - | - | 1,570,360 | (14,715) | 1,555,645 |
| Due from related parties | 13,470,945 | - | - | - | - | 13,470,945 |
| Rent deposits* | 11,274 | - | - | - | - | 11,274 |
| Advances | 703,651 | - | - | - | - | 703,651 |
| | 14,260,179 | - | - | 1,570,360 | (14,715) | 15,815,824 |

**Included as part of "Other noncurrent assets" in the parent company statements of financial position.*

| | 2024 | | | | |
|---|---|---|---|---|---|
| | General approach | | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| Cash in banks | 377,980 | - | - | - | 377,980 |
| Receivables | 1,555,645 | - | - | - | 1,555,645 |
| Due from related parties | 21,687,092 | - | - | - | 21,687,092 |
| Rent deposits | 14,125 | - | - | - | 14,125 |
| Advances | 703,651 | - | - | - | 703,651 |
| | 24,338,493 | - | - | - | 24,338,493 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | General approach | | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| Cash in banks | 74,309 | - | - | - | 74,309 |
| Receivables | 1,555,645 | - | - | - | 1,555,645 |
| Due from related parties | 13,470,945 | - | - | - | 13,470,945 |
| Rent deposits | 11,274 | - | - | - | 11,274 |
| Advances | 703,651 | - | - | - | 703,651 |
| | 15,815,824 | - | - | - | 15,815,824 |

**17.3 Liquidity risk**

Liquidity risk pertains to the risk that the Parent Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Parent Company manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Parent Company's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

The following are the contractual maturities of financial assets and financial liabilities, including estimated interest payments and excluding the impact of netting agreements of the Parent Company:

| | 2024 | | | |
|---|---|---|---|---|
| | 3 to 12 months | More than 1 year to 5 years | More than 5 years | Total |
| Financial assets: | | | | |
| Cash in banks | 377,980 | - | - | 377,980 |
| Receivables, net | 1,555,645 | - | - | 1,555,645 |
| Due from related parties | 21,687,092 | - | - | 21,687,092 |
| Rent deposits | - | 14,125 | - | 14,125 |
| Advances | - | 703,651 | - | 703,651 |
| | 23,620,717 | 717,776 | - | 24,338,493 |
| Financial liabilities: | | | | |
| Trade payables and other current liabilities* | 72,023 | - | - | 72,023 |
| Due to related parties | 584,001 | - | - | 584,001 |
| Lease liabilities, including future interest | 31,646 | 68,117 | - | 99,763 |
| | 687,670 | 68,117 | - | 755,787 |
| Net financial assets | 22,933,047 | 649,659 | - | 23,582,706 |

| | 2023 | | | |
|---|---|---|---|---|
| | 3 to 12 months | More than 1 year to 5 years | More than 5 years | Total |
| Financial assets: | | | | |
| Cash in banks | 74,309 | - | - | 74,309 |
| Receivables | 1,555,645 | - | - | 1,555,645 |
| Due form relatec ties | 13,470,945 | - | - | 13,470,945 |
| Rent deposits | - | 11,274 | - | 11,274 |
| Advances | - | 703,651 | - | 703,651 |
| | 15,100,899 | 714,925 | - | 15,815,824 |
| Financial liabilities: | | | | |
| Trade payables and other current liabilities* | 82,171 | - | - | 82,171 |
| Due to related parties | 3,475,782 | - | - | 3,475,782 |
| | 20,302 | 66,401 | - | 86,703 |
| Net financial assets | 3,578,255 | 66,401 | - | 3,644,656 |
| | 11,522,644 | 648,524 | - | 12,171,168 |

Trade and other payables exclude payable to government agencies as at December 31, 2024 amounting to P9,908 (2023 – P9,970).

### 17.4 Market risk

Market risk is the risk that changes in market prices that will affect the Parent Company's income or the value of its holdings of financial instruments. The objective of market risk is to manage and control market risk exposures within acceptable parameters. while optimizing the returns.

*Equity price risk*

Equity price risk is such risk where the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks. The management strictly monitors the movement of the share prices pertaining to its investments. The Parent Company is exposed to equity securities price risk because of investments held by the Parent Company, which are classified in the parent company statement of financial position as financial asset at FVOCI as at December 31, 2023 (Note 6).

*Fair values*

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

*Cash/receivables/due from related parties/ advances/ rent deposits/dividend and other payables/short-term loans payable/due to related parties*

The carrying amount cash approximates its fair value since it cart be readily withdrawn and used for operations. The carrying amounts of receivables, due from related parties, dividend and other payables, short-term loans payable and due to related parties approximate their fair values due to liquidity, short maturity and nature of these financial instruments. The carrying amount of rent deposit approximates its fair value as the effect of discounting using the prevailing market rate is not significant.

### 17.5 Capital management

The Parent Company's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Parent Company sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD monitors the return on capital, which the Parent Company defines as net operating income divided by total shareholders' equity. The BOD also monitors the level of dividends to shareholders.

The BOD has overall responsibility for monitoring of capital in proportion to risk. The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Parent Company defines capital as equity, which includes share capital, additional paid-in capital, retained earnings (deficit) and fair value reserve equity amounting to P28,848,302 (2023 - P17,654,776). There were no changes in the Parent Company's approach to capital management as at December 31, 2024 and 2023.

The Parent Company is not subject to externally imposed capital requirements.

## 18. Summary of material accounting policies

### 18.1 Basis of preparation

The Parent Company's financial statements have been prepared on a historical cost convention basis, except for certain financial assets carried at FVOCI.

The Parent Company financial statements are presented in Philippine Peso, the Parent Company's functional and presentation currency. All values are rounded to the nearest thousands (000), except when otherwise indicated.

<u>Statement of compliance</u>

The financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The preparation of financial statements in conformity with PFRS Auditing Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 16.

The Parent Company also prepares and issues consolidated financial statements in compliance with PFRSs. These are filed with and may be obtained from the Philippine SEC and PSE.

### 18.2 Changes of accounting policies and disclosures

*New standards, amendments and interpretations adopted by the Parent Company*

A number of new standards, amendments, and interpretations to existing standards are effective for annual periods after January 1, 2024, and have not been early adopted nor applied by the Parent Company in preparing these financial statements. None of these standards are expected to have significant effect in the financial statements of the Parent Company.

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current

  The amendments clarify:

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

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

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

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

  The amendments had no impact on the Parent Company's financial statements because the Parent Company does not have any sale and leaseback transactions.

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

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

  The amendments had no impact on the Parent Company's financial statements because the Parent Company does not have any supplier finance arrangements.

**18.3 Financial assets**

*Classification and presentation*

The Parent Company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through OCI or through profit or loss), and;
b) those to be measured at amortized cost.

The classification depends on the Parent Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Parent Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income, otherwise it will be recognized at fair value through profit or loss.

The Parent Company'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. The Parent Company shall reclassify financial assets when and only when its business model for managing those assets changes.

The Parent Company has cash, receivables, due from related parties and rent deposits (included in "Other noncurrent assets" account in the statement of financial position) classified as financial asset at amortized cost. It also has investment in equity securities classified as financial asset at FVOCI. The Parent Company has no financial asset designated as financial asset at FVPL.

*Recognition*

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trade) are recognized on the trade date,
i.e., the date that the Parent Company commits to purchase or sell the asset.

*Measurement*

At initial recognition, the Parent Company measures a financial asset at amortized cost, FVOCI and fair value through profit or loss (FVPL). In the case of a financial asset at amortized cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

*Financial assets at amortized cost (debt instruments)*

Subsequent measurement of debt instruments depends on the Parent Company's business model for managing the asset and the cash flow characteristics of the asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income (expenses), net, using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income (expenses), net, together with foreign exchange gains and losses. Impairment losses are presented in administrative expenses in the statement of total comprehensive income. The Parent Company's financial assets at amortized cost consist of cash and cash equivalents, trade receivables and due from related parties (Note 16).

*Financial assets designated at FVOCI (equity instruments)*

The Parent Company subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Parent Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends are recognized as other income in the statement of total comprehensive income when the right of payment has been established, except when the benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments designated at FVOCI are not subject to impairment assessment.

The Parent Company elected to classify irrevocably its listed equity investment under this category.

*Derecognition*

A financial asset (or, where applicable., a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Parent Company 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 Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company 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 Parent Company assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With the exception of purchased or originated credit impaired financial assets, expected credit losses are required to be measured through a loss allowance at an amount equal to:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

For cash in banks, receivables, due from related parties and rent deposits. the Parent Company applies a general approach in calculating ECLs. The Parent Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL depending on whether there has been a significant increase in credit risk on its cash in bank since initial recognition.

The Parent Company considers a financial asset to be in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*(i) Simplified approach*

The Parent Company applies the simplified approach to provide for ECLs for all trade receivables arising from contracts with third party customers. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

*(ii) General approach*

The Parent Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the parent company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The Parent Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations in full, without recourse by the parent company to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due or longer depending on the historical experience with particular customers.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Parent Company is exposed to credit risk.

*Credit-impaired financial assets*

At each reporting date, the parent company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Impairment losses and subsequent recoveries on financial assets are presented in administrative expenses within operating profit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss. Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with customers as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off were credited against operating expense in profit or loss.

### 18.4 Financial liabilities

*Classification and presentation*

The Parent Company classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that are designated at fair value); and (b) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

The Parent Company has no financial liabilities at FVPL or derivative liabilities designated as hedging instruments during and at the end of each reporting period.

*Financial liabilities at amortized cost*

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortized cost. They are included in current liabilities, except for maturities more than twelve months after reporting date which are classified as non-current liabilities.

The Parent Company's financial liabilities include trade and other payables (excluding payables to government agencies for value-added tax, withholding and other taxes), short-term and long-term loans payable, trade payables and other current liabilities and due to related parties.

*Initial recognition and subsequent measurement*

The Parent Company recognizes a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument.

The Parent Company financial liabilities at amortized cost are initially measured at invoice amount, which approximates fair value plus transaction costs. Loans payable measured net of directly attributable transaction costs.

Subsequently, these are measured at amortized cost using the effective interest method. Interest expense on financial liabilities is recognized within finance cost, at gross amount, in profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss 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 interest expense in the Parent Company's statement of total comprehensive income.

*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 parent company's statement of total comprehensive income.

### 18.5 Determination of fair value

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

The Parent Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Parent Company’s FVOCI financial assets with quoted market price are valued using Level 1 of the fair value hierarchy and those with unquoted market price are measured at cost.

For non-financial assets, the parent company uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. The fair value of a non-financial asset is measured based on its highest and best use. The asset’s current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the parent company will not fulfill an obligation.

### 18.6 Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the parent company or the counterparties.

### 18.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from date of acquisition. These are measured in the statement of financial position at fair value and subsequently carried at amortized cost which approximates the face or nominal amount. Cash in bank earns interest at the prevailing bank deposit rate.

### 18.8 Prepayments and other current assets

Prepayments are recognized in the statement of financial position in the event that payment has been made in advance of obtaining right of access to goods or receipt of services and measured at nominal amounts. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. These are derecognized in the statement of financial position upon delivery of goods or when services have been rendered, through amortization over a certain period of time, and use or consumption.

Other current assets consist substantially of input value-added tax (VAT) and creditable withholding taxes which are recognized as assets in the period such input value-added tax and income tax payments become available as tax credits to the Parent Company and carried over to the extent that it is probable that the benefit will flow to the Parent Company.

### 18.9 Investments and advances

*Subsidiary*

The Parent Company controls an investee if and only if the Parent Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

Investment in a subsidiary is accounted for using the cost method in the financial statements. Under this method, investments are initially measured at cost which is the fair value of the consideration paid by the parent company (as investor) and includes transactions costs directly attributable to the acquisition. Subsequently, investment in a subsidiary is measured at cost and are not subsequently remeasured, less any impairment.

Income from an investment (i.e., dividend declared by subsidiaries) is recognized in the profit or loss only to the extent that the parent company (as investor) receives distribution from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such accumulated profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

The Parent Company determines at each reporting date, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, whether there is objective evidence that the investment in subsidiary is impaired. If this is the case, the Parent Company calculates the amount of impairment as the difference between the recoverable amount of a subsidiary and its carrying value and allowance is set up for any substantial or permanent decline in the carrying value of an investment in a subsidiary.

The investment in a subsidiary is derecognized upon disposal, loss of control, or when no future economic benefits are expected to arise from the investment. Gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the investment in subsidiary and is recognized in the profit and loss statement.

*Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

*Disposal of a subsidiary*

When the Parent Company ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Parent Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Parent Company surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.
Investments in subsidiaries as at December 31, 2024 and 2023 are listed as follows:

| | Percentage of ownership | | Country of incorporation |
|---|---|---|---|
| Subsidiaries | 2024 | 2023 | |
| AB Leisure Exponent, Inc. (ABLE) and subsidiaries | 100 | 100 | Philippines |
| AB Leisure Global, Inc. (ABLGI) | 100 | 100 | Philippines |
| LR Land Developers, Inc. (LRLDI) | 100 | 100 | Philippines |
| Prime Investment Korea, Inc. (PIKI) | 100 | 100 | Philippines |
| Total Gamezone Xtreme Incorporated (TGXI) | 100 | 100 | Philippines |
| Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI)** | 100 | - | Philippines |
| Diginvest Holdings Inc. (Diginvest) | 100 | - | Philippines |
| Blue Chip Gaming and Leisure Corporation (BCGLC) | 100 | 100 | Philippines |
| LR Data Center and Solutions Inc. (LRDCSI) | 80 | 80 | Philippines |
| First Cagayan Leisure and Resort Corporation (FCLRC) | 97.27 | 87.27 | Philippines |
| Bingo Bonanza (HK) Limited (BBL)* | 60 | 60 | Hong Kong |

**Deregistered*
*** Indirect subsidiary of ABLGI as at December 31, 2023.*

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In 2024, the Parent Company acquired additional 10% minority interest in FCLRC, increasing its ownership interest to 97.27% in 2024 from 87.27% in 2023.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

*Joint arrangements*

Under PFRS 11, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Parent Company does not have arrangements classified as joint operations.

Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the balance sheet.

### 18.10 Property and equipment

Property and equipment is initially measured and recognized at acquisition cost which comprises of purchase price and any directly attributable cost of bringing the asset to working condition and location for intended use.

After initial measurement, property and equipment is stated at historical cost less accumulated depreciation, amortization and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Parent Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Construction in progress, which represents properties under construction, is stated at cost and depreciated only when the relevant assets are completed and ready for operational use. Upon completion, these properties are reclassified to their appropriate class of property, plant and equipment.

Leasehold improvements are amortized over the shorter of lease term or estimated useful life of the improvements. Lease term takes into consideration renewal options.

Land is recognized at fair value based on periodic, but at least triennial, valuations by external independent valuers. A revaluation surplus is credited to other comprehensive income in the statement of shareholders' equity. Land is not depreciated.

It is the Parent Company's policy to classify right-of-use assets as part of property and equipment. The Parent Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses. and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, 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 the Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of-use assets are depreciated on a straight - line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Depreciation on other assets is computed on the straight-line method to allocate the cost of each asset, less its residual value, over its estimated useful life (in years), determined based on the Parent Company's historical information and experience on the use of such assets, as follows:

| Asset | Number of years |
|---|---|
| Leasehold improvements | 5 or term of the lease, whichever is shorter |
| Aircraft and transportation equipment | 5-15 |
| Gaming equipment | 5 |
| Office furniture, fixtures, and equipment | 5 |
| Network equipment | 10 |
| Condominium unit | 25 |
| Right-of-use asset | 1-25 |

The Parent Company estimates the useful life of its airstrip improvement based on the period over which the asset is expected to be available for use.

The asset's residual values and useful lives are reviewed, and adjusted as appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their accumulated depreciation are removed from the disposal accounts.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are credited or charged to profit or loss.

### 18.11 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life, such as goodwill, are not subject to amortization and are tested annually for impairment. Other non-financial assets, mainly property, and equipment, lease rights, and investment properties, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). Impairment losses, if any, are recognized in profit or loss. When impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. Reversals of an impairment loss are credited in profit or loss.

### 18.12 Trade payables and other current liabilities

Trade payables and other liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business with suppliers.

Trade payables and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Parent Company is established or when the corresponding assets or expenses are recognized. These are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables and other liabilities are recognized initially at invoice amount, which represent fair value, and subsequently measured at amortized cost using effective interest method.

These are derecognized when extinguished or when the obligation is discharged, cancelled or has expired.

### 18.13 Loans payable

Loans payable are recognized initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Loans payable are classified as current liabilities unless the Parent Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Loans payable are derecognized when the obligation is settled, paid or discharged.

### 18.14 Deposit for future stock subscription

Deposits for future stock subscriptions represent cash receipts to be applied as payment for additional subscription of unissued shares or shares from an increase in authorized capital stock, outstanding subscriptions receivables, or additional paid-in capital, and are reported as a separate line item in the statement of financial position upon compliance with the requirements of the Philippine SEC.

The Parent Company classifies deposits for future stocks subscriptions under equity as a separate account from capital stock if, and only if, all of the following elements are present as of the end of the reporting period:

- the unissued authorized capital stock of the entity is insufficient to cover the number of shares indicated in the contract;
- there is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the Company);
- there is stockholders' approval of said proposed increase; and
- the application for the approval of said proposed increase has been presented for filing or has been filed with the Philippine SEC.

If any of the foregoing elements are not present, the deposit is recognized as a liability.

### 18.15 Equity

*Capital stock*

Common and preferred shares are stated at par value and are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

*Additional paid-in capital*

Any amount received in excess of par value shares is credited to additional paid in capital which forms part of the non-distributable reserve of the Parent Company and can be used only for purposes specified under the Corporate Code.

*Share issuance cost*

Share issuance costs incurred for the listing and offering process of the Parent Company are recognized as deduction to the additional paid in capital in accordance with PIC - Question and Answer (PIC - Q&A) 2011-04.

*Treasury shares*

When share capital is repurchased, the amount of the consideration paid, which includes directly/ attributable costs, net of any tax effects, is recognized as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus on the transaction is transferred to additional paid-in capital, while the resulting deficit is applied against additional paid-in capital and retained earnings, for any excess of deficit over the additional paid-in capital arising from treasury shares transactions. Preferred shares that are redeemed and not cancelled are presented as treasury shares.

*Fair value reserve*

Fair value reserve represents cumulative net change in the fair value of FVOCI, net of tax effect, as at reporting date.

*Retained earnings*

Retained earnings represents the cumulative balance of periodic profit/loss, dividend distributions, prior period adjustments and effect of changes in accounting policy and capital adjustments.

Dividend distribution to the shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved and declared by the Parent Company's BOD.

### 18.16 Earnings per share (EPS)

Basic EPS is computed by dividing the profit attributable to the owners of the Parent Company by the weighted average number of shares in issue during the year, excluding ordinary shares purchased by the Parent Company held as treasury shares.

The diluted EPS is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares, if any. Net income attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares. Where the effect of the warrants is anti-dilutive, basic and diluted earnings per share are stated at the same amount.

### 18.17 Cost and expense recognition

Costs and expenses are recognized when decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized:

(i) on the basis of a direct association between the costs incurred and the earning of specific items of income;
(ii) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or
(iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the statement of financial position.

### 18.18 Leases

When the Parent Company enters into an arrangement, comprising a transaction or a series of related transactions, that does not take the legal form of a lease but conveys a right to use an asset or is dependent on the use of a specific asset or assets, the Parent Company assesses whether the arrangement is, or contains, a lease. The Parent Company does not have such arrangements during and at the end of each reporting period.

*The Parent Company is the lessee*

The Parent Company recognizes leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

*Measurement of lease liabilities*

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantee
- the exercise price of a purchase option if the lessee is reasonably certain to exercise the option
- payments of penalties for terminating the lease, if the lease term reflects the termination.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Parent Company’s leases, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Parent Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

*Measurement of right-of-use assets*

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

*Extension and termination options*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

*Short-term leases and leases of low-value assets*

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

### 18.19 Employee benefits

*Retirement benefits liability*

The Parent Company has a defined benefit retirement plan managed by its subsidiaries, ABLE and FCLRC, which is based on the provisions of Republic Act RA 7641. A defined benefit plan is a pension plan that defined an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability (or asset) recognized in the statement of financial position is the present value of the defined benefit obligation less fair value of the plan assets at the reporting date. In cases when the amount determined results in an asset, the Parent Company measures the resulting asset at the lower of such amount determined and the present value of any economic benefits available to the Parent Company in the form of refunds or reductions in future contributions to the plan. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit obligation.

Remeasurement gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity (within reserve for remeasurement on retirement benefit) in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in profit or loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

*Termination benefits*

Termination benefits are payable when employment is terminated by the Parent Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Parent Company recognizes termination benefits at the earlier of the following dates: (a) when the Parent Company can no longer withdraw the offer of those benefits; and (b) when the Parent Company recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

*Share-based payments*

Share-based compensation benefits are provided to employees via the Group's employee share option plan, an employee share scheme. Information relating to this scheme is set out in Note 10.

The fair value of options granted under the Group's employee share option plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of share options granted.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The entity recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**18.20 Income taxes**

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

DIT is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related DIT asset is realized, or the DIT liability is settled.

DIT assets are recognized for all deductible temporary differences, carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) and unused tax losses (net operating loss carryover or NOLCO) to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. DIT assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses

The Parent Company re-assesses at each reporting date the need to recognize a previously unrecognized DIT asset, if any.

DIT assets and liabilities are derecognized when the related temporary difference is realized or settled.

**18.21 Related party transactions and relationships**

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## 19. Supplementary information required by the Bureau of Internal Revenue (BIR)

The Parent Company reported and/or paid the following types of taxes for the year ended December 31, 2024:

*(a) Value-added tax (VAT)*

The Parent Company does not have transactions subject to output VAT for the year ended December 31, 2024.

Amount of input VAT recognized for the year ended December 31, 2024 are as follows:

| | Amount |
|---|---|
| Input VAT | |
| Beginning of the year | 45,685 |
| Domestic purchase of services | 19,169 |
| | 64,854 |

*(b) Importations*

The Parent Company does not have importations and customs tariff and fees paid for the year ended December 31, 2024.

*(c) Excise taxes*

The Parent Company does not have transactions subject to excise taxes for the year ended December 31, 2024.

*(d) Documentary stamp tax*

For the year ended December 31, 2024, the Parent Company paid DST on stock subscription amounting to P277.

*(e) Withholding taxes*

Amount of withholding taxes paid and accrued for the year ended December 31, 2024 are as follows:

| | Paid | Accrued | Total |
|---|---|---|---|
| Withholding tax on compensation | 94,311 | 3,477 | 97,788 |
| Expanded withholding tax | 4,559 | 6,166 | 10,725 |
| Final withholding taxes | 45,032 | 1,375 | 46,407 |
| | 143,902 | 11,018 | 154,920 |

*(f) Other taxes*

Other taxes paid during the year recognized under “taxes and licenses” in profit or loss for the year ended December 31, 2024 follows:

| | Amount |
|---|---|
| License and permit fees | 5,125 |
| Documentary stamp tax | 551 |
| Others | 258 |
| | 5,934 |

*(g) Tax assessments*

The Parent Company has not received any Final Assessment Notice (FAN) for the year ended December 31, 2024.

*(h) Tax cases*

The Parent Company has no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2024.

**DigiPlus Interactive Corp.**

**Reconciliation of Parent Company's Retained Earnings**
**Available for Dividend Declaration**
As at December 31, 2024
All Amounts in Philippine Peso
(Part 1, 4C, Annex 68-C)

| | | |
|---|---|---|
| **Unappropriated Retained Earnings, beginning of the year** | | 6,159,506 |
| Less: | | |
| Category A: Items that are directly credited to unappropriated retained earnings | | - |
| Category B. Items that are directly debited to Unappropriated retained earnings | | - |
| Dividend declared during the year | (793,379) | |
| Retained earnings appropriated during the year | (7,300,000) | (8,093,379) |
| Unappropriated retained earnings, as adjusted | | (1,933,873) |
| Add/Less: Net Income for the current year | | 11,992,153 |
| Less: | | |
| Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax) | - | |
| Equity in net income of associate/joint venture, net of dividends declared | - | |
| Unrealized foreign exchange gain, except those attributable to cash and cash equivalents | - | |
| Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) | - | |
| Unrealized fair value gain of investment property | - | |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | - | - |
| **Total Retained Earnings, end of the year available for dividend declaration** | | **10,058,280** |

**COVER SHEET**

| 1 | 3 | 1 | 7 | 4 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

SEC Registration Number

DIGIPLUS INTERACTIVE CORP.

(Company's Full Name)

ECOPRIME BUILDING, 32ND ST. COR.
9TH AVE. BONIFACIO GLOBAL CITY,
TAGUIG CITY

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

**Mr. Wilfredo Pielago**
(Contract Person)

**8 634-5099**
(Company Telephone Number)

**12 31**
*Month* *Day*
(Fiscal Year)

**17-Q**
(Form Type)

**07 26**
*Month* *Day*
(Annual Meeting)

**Not Applicable**
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

**Not Applicable**
Amended Articles Number/section

**1,803**
Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

---

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q**

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

1. For the quarterly period ended **March 31, 2025**

2. Commission identification number **13174**

3. BIR tax identification number **000-108-278**

4. Exact name of issuer as specified in its charter
**DIGIPLUS INTERACTIVE CORP.**

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

6. Industry Classification Code: ________ (SEC use only)

7. Address of registrant's principal office
**ECOPRIME BUILDING, 32ND ST. COR. 9TH AVE., BONIFACIO GLOBAL CITY, TAGUIG CITY**

8. Issuer's telephone number, including area code
**8637-5291**

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

10. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

| Title of each class | Number of shares of common stock outstanding and amount of debt outstanding |
|---|---|
| Common | 4,432,944,678/NA |

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

Yes [ / ] No [ ]

12. Indicate by check mark whether the registrant:

a.) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports).

Yes [ / ] No [ ]

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

Yes [ / ] No [ ]

## PART I – FINANCIAL INFORMATION

### Item 1. Financial Statements

Please see attached interim condensed consolidated financial statements.

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

## OVERVIEW

DigiPlus is functioning as a holding company with minimal operations. The Company is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **RETAIL** (1) AB Leisure Exponent, Inc. (ABLE - 100% owned), (2) Total Gamezone Xtreme Incorporated (TGXI - 100% owned), (3) Gamemaster Integrated Inc. (Gamemaster - 100% owned); **CASINO** (4) Blue Chip Gaming and Leisure Corporation (BCGLC - 100% owned), (5) Gold Coast Leisure World Corp. (GCLWC - 100% owned); **NETWORK AND LICENSES** (6) First Cagayan Leisure and Resort Corporation (FCLRC - 97.27% owned), (7) LR Data Center and Solutions, Inc. (LRDCSI - 80% owned), (8) First Cagayan Converge Data Center Inc. (FCCDCI – 68.36%); and **PROPERTY AND OTHER INVESTMENTS** (9) AB Leisure Global, Inc. (ABLGI - 100% owned), (10) LR Land Developers, Inc. (LRLDI - 100% owned), (11) G-L Real Estate JV Corporation, (GREJC – 100% owned), (12) Diginvest Holdings Inc. (Diginvest - 100% owned); (13) DigiPlus Brazil Holding LTDA. (100% owned); and (14) DigiPlus Brazil Interactive LTDA (100% owned).

Retail

The Retail Gaming segment encompasses a diverse portfolio of gaming products, including bingo, e-casino, specialty games, sports betting, and poker, offered across both online and land-based platforms.

Casino

*BCGLC*
BCGLC operates Slot Arcades at several PAGCOR VIP Clubs at: (1) the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga; (2) Pan Pacific, Malate Manila with Pacific Palm Corporation; (3) Paseo Premier Hotel, Sta. Rosa Laguna with Pacific Palm Corporation; and (4) Apo View Hotel, Davao City with Pacific Palm Corporation. BCGLC operates Slot Arcades at the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga under a license issued by PAGCOR.

*GCLWC*
GCLWC operates Slot Arcades at VIP Club at Venezia at Subic Bay Freeport Zone under a license issued by PAGCOR.

Network and Licenses

*FCLRC*
The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered gaming enterprise in CSEZFP. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators in the CSEZFP.

*FCCDCI*
FCLRC, LRDCSI and IP Ventures, Inc. (IPVI) formed a joint venture corporation with the name First Cagayan Converge Data Center Inc. to engage in the business of information technology such as IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution, premium dial up access, voice over internet protocol, IP-wide area network services and other value-added services. Presently, FCCDCI provides a range of services to Internet Gaming Operators at the CSEZFP for a fee.

<u>Property and Other Investments</u>

*ABLGI*
ABLGI acquired a building in Manila as investment property and collects rental income.

*GREJC*
GREJC acquired 23 hectares of land property in Boracay for future project. In April 2023, ABLE entered into a ₱3.0 billion term-loan agreement with Asia United Bank which is secured by the land owned by GREJC. The loan was fully settled as of December 31, 2024.

*LRLDI*
LRLDI entered into various lease agreements as lessor with lease terms ranging from monthly to one (1) year.

LRLDI is also committed in supporting the development of Cagayan Special Economic Zone and Free Port (CSEZFP). In executing an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation (CLPDC), LRLDI has established its support by investing funds into the Lal-Lo Airport Project, Cagayan Economic Zone and Freeport (CEZFP) International Airport Project, and other facilities within the CSEZFP. These projects aim to improve and further advance CSEZFP into a self-sustaining industrial zone.

LRLDI has significant land properties in Cagayan which are carried at fair value.

*Diginvest*

On September 30, 2024, Diginvest was incorporated as a wholly-owned subsidiary of DigiPlus with the primary purpose to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities of obligations of any other corporation or corporations, association or associations, domestic or foreign, for whatever lawful purpose or purposes the same may have been organized, and to pay therefore in money or by exchanging therefore stocks, bonds, property or other evidence of indebtedness or securities of this or any corporation, stocks, bonds, debentures, contracts or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property, and to possess and exercise in receipt thereof all the rights, powers and privileges of ownership, including all voting powers or any stock so owned; without acting as a broker/dealer in securities. The principal office of Diginvest is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

## RESULTS OF OPERATIONS

### CONSOLIDATED REVENUE AND OPERATING INCOME

Breakdown of consolidated revenues and costs and expenses are as follows:

| *Amounts in Thousands* | For three months ended March 31 **2025** | 2024 | Inc/(Dec) | % Change |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Retail games | **₱22,753,214** | ₱13,375,909 | ₱9,377,305 | 70% |
| Rental income - casino | **139,630** | 133,003 | 6,627 | 5% |
| Service and hosting fees | **87,017** | 96,176 | (9,159) | -10% |
| Commission income | **60,539** | 7,586 | 52,953 | 698% |
| Revenue from leases | **22,420** | 20,287 | 2,133 | 11% |
| | **23,062,820** | 13,632,961 | 9,429,859 | 69% |
| **COSTS AND EXPENSES** | | | | |
| Franchise fees and taxes | **(8,771,839)** | (6,878,540) | 1,893,299 | 28% |
| Advertising and promotion | **(4,830,895)** | (2,289,886) | 2,541,009 | 111% |
| Outside services | **(2,717,951)** | (1,509,417) | 1,208,534 | 80% |
| Salaries and other employee benefits | **(1,187,617)** | (384,514) | 803,103 | 209% |
| Subscription and association fees | **(557,220)** | (75,203) | 482,017 | 641% |
| Depreciation and amortization | **(326,817)** | (80,550) | 246,267 | 306% |
| Communications and utilities | **(94,126)** | (85,326) | 8,800 | 10% |
| Taxes and licenses | **(47,344)** | (28,187) | 19,157 | 68% |
| Others | **(266,383)** | (275,695) | (9,312) | -3% |
| | **(18,800,192)** | (11,607,318) | 7,192,874 | 62% |
| **Operating Income** | **₱4,262,628** | ₱2,025,643 | ₱2,236,985 | 110% |

**Consolidated Revenue**

For the three months ended March 31, 2025, consolidated revenue increased by 69% or ₱9,429.9 million from ₱13,633.0 million in 2024 to ₱23,062.8 million. The increase was mainly due to increase in revenue from electronic games from retail, casino rental income, and commission income.

Retail

ABLE and its subsidiaries, TGXI and Gamemaster recognized revenue amounting to ₱22,753.2 million in the first three months of 2025, an increase of 70% or ₱9,377.3 million. This was mainly due to the increase in retail business operations and new licenses and games obtained from PAGCOR.

As of March 31, 2025, there were 136 sites in operation with full capacity.

Casino

BCGLC and GCLWC revenue increased by 5% or ₱6.6 million from ₱133.0 million in the first three months of 2024 to ₱139.6 million in the first three months of 2025. The increase was mainly due to new gaming machine lease agreement in 2025.

Network and Licenses

There was a decrease in network and licenses revenue from ₱96.2 million in the first three months of 2024 to ₱87.0 million in the first three months of 2025. The decrease amounted to ₱9.2 million or 10%. The decline was attributable to license expiration of an existing licensee.

**Consolidated Costs and Expenses**

Total costs and expenses increased by 62% or ₱7,192.9 million in the first three months of 2025 as compared to 2024. This was mainly due to increase in franchise fees, advertising and promotions, outside services, salaries and other employee benefits, subscription fees, and depreciation and amortization.

**CONSOLIDATED EBITDA AND NET INCOME**

Details of EBITDA and net income are as follows:

| | For three months ended March 31 | | | |
|---|---|---|---|---|
| *Amounts in thousands* | **2025** | 2024 | Inc/(Dec) | % Change |
| Revenues | **₱23,062,820** | ₱13,632,961 | ₱9,429,859 | 69% |
| Costs and expenses (excluding depreciation and amortization) | **(18,473,375)** | (11,526,768) | (6,946,607) | 60% |
| **EBITDA*** | **4,589,445** | 2,106,193 | 2,483,252 | 118% |
| Depreciation and amortization | **(326,817)** | (80,550) | 246,267 | 306% |
| Finance expense and bank charges | **(37,404)** | (21,177) | 16,227 | 77% |
| Equity in net loss of joint venture | **(17,240)** | (16,623) | 617 | 4% |
| Foreign exchange loss | **(68,462)** | (4,412) | 64,050 | 1452% |
| Finance income | **66,254** | 16,023 | 50,231 | 313% |
| Provision for tax | **(1,709)** | (1,235) | 474 | 38% |
| Other expenses - net | **(554)** | 361 | (915) | -253% |
| **Net income after tax** | **4,203,513** | 1,998,580 | 2,204,933 | 110% |
| Minority interest | **(1,514)** | (3,122) | (1,608) | -52% |
| Net income attributable to Parent Company | **₱4,201,999** | ₱1,995,458 | ₱2,206,541 | 111% |

*EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expense such as impairment loss. The Group evaluates performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRSs and may not be comparable to similarly titled measures presented by other entities.

The Group's consolidated net income improved from ₱1,998.6 million in the first three months of 2024 to ₱4,203.5 million in the first three months of 2025 or 110% increase. EBITDA also improved from ₱2,106.2 million in the first three months of 2024 to ₱ 4,589.4 million in the same period of 2025. This was mainly due to significant increase in revenue from retail segment, net of costs and expenses related to franchise fees, advertising and promotions, outside services, salaries and other employee benefits and subscription fees.

## Financial Position

On a consolidated basis, the financial position of DigiPlus and its subsidiaries continue to be on solid ground.

As at March 31, 2025, our total assets stood at ₱47.8 billion, an increase of ₱3.7 billion or 8% as compared to total assets as of December 31, 2024 amounting to ₱44.1 billion. The increase was attributable to increase in cash, prepayments and other current and noncurrent assets. This was brought about by new gaming licenses and increase in operational activities of retail segment of the Group.

Cash and cash equivalents increased by ₱4,182.0 million or 30% mainly due to the positive results of operations.

Receivables and lease receivables decreased by ₱902.1 million or 18% mainly due to decrease in our receivables from payment channel gateways.

Property and equipment increased by 1% or ₱40.0 million, mainly due to renovations of land-based sites and acquisition of office and IT equipment, net of straight-line depreciation and amortization during the period. Investment in associates and joint venture decreased mainly due to share in net loss of HEPI.

Intangible assets decreased by ₱53.8 million mainly due to straight-line amortization during the period.

Other noncurrent assets increased by ₱166.1 million or 10%, mainly due to deferred costs related to software and game development. Other noncurrent assets also include advances to suppliers, rental deposits and other assets.

The total liabilities as of March 31, 2025 amounted to ₱15,717.9 million with an increase of ₱2,852.8 million or 22% from the total liabilities as of December 31, 2024 amounting to ₱12,865.1 million.

Trade payables and other current liabilities decreased by ₱968.6 million or 11% mainly due to settlement of various outstanding payables during the period.

Dividends payable increased by ₱3.8 billion due to dividend declaration on March 7, 2025. This was subsequently paid on April 4, 2025.

Capital stock and additional paid-in capital increased by ₱280.0 million or 3% attributable to issuance of common shares from the exercise of stock options.

Other reserve increased by ₱64.4 million or 7% due to reserve for employee stock options amounting ₱189.7 million, net of exercise amounting to ₱125.3 million.

**Cash Flows**

Cash balance as of March 31, 2025 and December 31, 2024 amounted to ₱18.2 billion and ₱14.0 billion, respectively. The increase was mainly due to cash flows provided by operating activities and financing activities amounting to ₱4.5 billion and ₱122.8 million, respectively, net of cash used in investing activities amounting to ₱479.2 million.

The Company and its subsidiaries:

a) Have no known trends or any demands, commitments, events or uncertainties that will result in or that are likely to result in the liquidity increasing or decreasing in any material way;
b) Have no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
c) Have no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period;
d) Have not breached any loans, leases or other indebtedness or financing agreement; and
e) Have no material commitment for capital expenditure, aside from those already discussed.

## PART II – OTHER INFORMATION

There is no significant information that needs to be reported under this section not previously reported in a report on SEC Form 17-C.

## SIGNATURES

Pursuant to the requirements of the Revised Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**DIGIPLUS INTERACTIVE CORP.**

By:

**TSUI KIN MING**
President

May 7, 2025

**WILFREDO M. PIELAGO**
Chief Financial Officer / Treasurer

May 7, 2025

## DigiPlus Interactive Corp. and Subsidiaries

**Unaudited Interim Condensed Consolidated Statements of Financial Position**
As at March 31, 2025
With Comparative Audited Figures as at December 31, 2024
(All amounts in thousands Philippine Peso)

| | Notes | 2025 (Unaudited) | 2024 (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 18,159,434 | 13,977,434 |
| Receivables, net | | 3,683,071 | 4,589,278 |
| Current portion of lease receivables | | 74,179 | 69,557 |
| Due from related parties | | 158,871 | 156,335 |
| Prepaid expenses and other current assets | | 1,696,608 | 1,488,321 |
| Total current assets | | 23,772,163 | 20,280,925 |
| **Non-current assets** | | | |
| Receivables, net of current portion | | 372,885 | 368,044 |
| Lease receivables, net of current portion | | 102,196 | 107,512 |
| Investments and advances, net | | 2,647,763 | 2,664,988 |
| Financial assets at fair value through other comprehensive income (FVOCI) | | 55,768 | 62,329 |
| Property and equipment, net | 3 | 5,330,643 | 5,290,596 |
| Investment properties | 4 | 11,217,011 | 11,217,011 |
| Intangible assets | | 2,452,565 | 2,506,331 |
| Other noncurrent assets | | 1,813,262 | 1,647,151 |
| Total noncurrent assets | | 23,992,093 | 23,863,962 |
| **Total assets** | | 47,764,256 | 44,144,887 |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Trade payables and other current liabilities | | 7,630,315 | 8,598,955 |
| Dividends payable | 6 | 3,819,172 | 6,842 |
| Current portion of: | | | |
| Long-term loans payable | 5 | 733,781 | 733,781 |
| Lease liabilities | | 461,811 | 476,217 |
| Income tax payable | | 1,436 | 1,436 |
| Total current liabilities | | 12,646,515 | 9,817,231 |
| **Non-current liabilities** | | | |
| Lease liabilities, net of current portion | | 1,317,967 | 1,294,632 |
| Retirement benefits liability | | 127,685 | 127,685 |
| Customer deposits, net of current portion | | 82,408 | 82,296 |
| Deferred tax liabilities | | 1,543,297 | 1,543,297 |
| Total noncurrent liabilities | | 3,071,357 | 3,047,910 |
| **Total liabilities** | | 15,717,872 | 12,865,141 |
| **Equity** | | | |
| Capital stock | | 4,810,592 | 4,785,307 |
| Additional paid-in capital | | 6,500,032 | 6,245,301 |
| Treasury shares | | (431,598) | (431,598) |
| Retirement benefits reserve | | (31,242) | (31,242) |
| Fair value reserve | | 477,090 | 483,651 |
| Foreign currency translation reserve | | (10,319) | (47,935) |
| Other reserve | | 961,314 | 896,928 |
| Retained earnings | | | |
| Unappropriated | | 12,278,920 | 11,889,253 |
| Appropriated | | 7,300,000 | 7,300,000 |
| **Equity attributable to equity holders of the Parent Company** | | 31,854,789 | 31,089,665 |
| **Non-controlling interests** | | 191,595 | 190,081 |
| Total equity | 6 | 32,046,384 | 31,279,746 |
| **Total liabilities and equity** | | 47,764,256 | 44,144,887 |

(The notes are integral part of these financial statements)

## DigiPlus Interactive Corp. and Subsidiaries

**Unaudited Interim Condensed Consolidated Statements of Total Comprehensive Income**
For the three months ended March 31, 2025 and 2024
(All amounts in thousands Philippine Peso, except Earnings per Share Figures)

| | Notes | Three months ended March 31 2025 | 2024 |
|---|---|---|---|
| **Revenues** | | | |
| Retail games | 7 | 22,753,214 | 13,375,909 |
| Rental income - casino | | 139,630 | 133,003 |
| Service and hosting fees | | 87,017 | 96,176 |
| Commission income | | 60,539 | 7,586 |
| Revenue from leases | | 22,420 | 20,287 |
| | | 23,062,820 | 13,632,961 |
| **Cost and operating expenses** | 9 | (18,800,192) | (11,607,318) |
| **Operating income** | | 4,262,628 | 2,025,643 |
| **Other expenses and losses, net** | | | |
| Finance expense and other bank charges | 5 | (37,404) | (21,177) |
| Finance income | | 66,254 | 16,023 |
| Foreign exchange loss, net | | (68,462) | (4,412) |
| Equity in net loss of joint venture | | (17,240) | (16,623) |
| Other expenses, net | | (554) | 361 |
| | | (57,406) | (25,828) |
| **Income before income tax** | | 4,205,222 | 1,999,815 |
| Provision for income tax | | (1,709) | (1,235) |
| **Net income for the period** | | 4,203,513 | 1,998,580 |
| **Other comprehensive loss** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Revaluation loss – FVOCI | | (6,561) | (5,248) |
| **Total comprehensive income for the period** | | 4,196,952 | 1,993,332 |
| **Net income for the period attributable to:** | | | |
| Equity holders of the Parent Company | | 4,201,999 | 1,995,458 |
| Non-controlling interests | | 1,514 | 3,122 |
| | | 4,203,513 | 1,998,580 |
| **Total comprehensive income attributable to:** | | | |
| Equity holders of the Parent Company | | 4,195,438 | 1,990,210 |
| Non-controlling interests | | 1,514 | 3,122 |
| | | 4,196,952 | 1,993,332 |
| **Earnings per share** | 6 | | |
| Basic | | 0.9526 | 0.4527 |
| Diluted | | 0.9150 | 0.4527 |

(The notes are integral part of these financial statements)

## DigiPlus Interactive Corp. and Subsidiaries

## Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the three months ended March 31, 2025 and 2024
(All amounts in thousands Philippine Peso)

| | Equity attributable to equity holders of the Parent Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Stock | Additional paid-in capital | Treasury shares | Retirement benefits reserve | Fair value reserve | Foreign currency translation reserve | Other reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| **Balances at December 31, 2023** | 4,785,307 | 6,245,301 | (431,598) | 12,907 | 488,900 | (2,100) | 239,681 | 7,404,748 | 18,743,146 | 182,504 | 18,925,650 |
| **Comprehensive income for the period** | | | | | | | | | | | |
| Net income for the period | - | - | - | - | - | - | - | 1,995,458 | 1,995,458 | 3,122 | 1,998,580 |
| Other comprehensive loss for the period | - | - | - | - | (5,248) | - | - | - | (5,248) | - | (5,248) |
| **Total comprehensive income for the period** | - | - | - | - | (5,248) | - | - | 1,995,458 | 1,990,210 | 3,122 | 1,993,332 |
| Cash dividends | - | - | - | - | - | - | - | (793,379) | (793,379) | - | (793,379) |
| **Balances at March 31, 2024*** | 4,785,307 | 6,245,301 | (431,598) | 12,907 | 483,652 | (2,100) | 239,681 | 8,606,827 | 19,939,977 | 185,626 | 20,125,603 |

| | Equity attributable to equity holders of the Parent Company | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Retained earnings | | | | |
| | Capital stock | Additional paid in capital | Treasury shares | Retirement benefits reserve | Fair value reserve | Foreign currency translation reserve | Other reserve | Unappropriated | Appropriated | Total | Non-controlling interest | Total equity |
| **Balances at December 31, 2024** | 4,785,307 | 6,245,301 | (431,598) | (31,242) | 483,651 | (47,935) | 896,928 | 11,889,253 | 7,300,000 | 31,089,665 | 190,081 | 31,279,746 |
| **Comprehensive income for the period** | | | | | | | | | | | | |
| Net income for the year | - | - | - | - | - | - | - | 4,201,999 | - | 4,201,999 | 1,514 | 4,203,513 |
| Other comprehensive loss for the period | - | - | - | - | (6,561) | - | - | - | - | (6,561) | - | (6,561) |
| **Total comprehensive income for the period** | - | - | - | - | (6,561) | - | - | 4,201,999 | - | 4,195,438 | 1,514 | 4,196,952 |
| **Transactions with owners** | | | | | | | | | | | | |
| Cash dividends | - | - | - | - | - | - | - | (3,812,332) | - | (3,812,332) | - | (3,812,332) |
| Stock option exercised during the period | 25,285 | 254,731 | - | - | - | - | (125,313) | - | - | 154,703 | - | 154,703 |
| Stock option recognized during the period | - | - | - | - | - | - | 189,699 | - | - | 189,699 | - | 189,699 |
| Translation adjustment | - | - | - | - | - | 37,616 | - | - | - | 37,616 | - | 37,616 |
| **Balances at March 31, 2025*** | 4,810,592 | 6,500,032 | (431,598) | (31,242) | 477,090 | (10,319) | 961,314 | 12,278,920 | 7,300,000 | 31,854,789 | 191,595 | 32,046,384 |

**Unaudited*

(The notes are integral part of these financial statements)

**DigiPlus Interactive Corp. and Subsidiaries**

**Unaudited Interim Condensed Consolidated Statements of Cash Flows**
For the three months ended March 31, 2025 and 2024
(All amounts in thousands Philippine Peso)

| | Notes | 2025* | 2024* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Income before income tax | | 4,205,222 | 1,999,815 |
| Adjustments for: | | | |
| Depreciation and amortization | | 326,817 | 80,550 |
| Finance expense | | 37,404 | 14,146 |
| Equity in net loss of joint venture and associates | | 17,240 | 16,623 |
| Reserve for employee stock option | 6 | 189,699 | - |
| Interest income | | (66,254) | (16,023) |
| Operating income before working capital changes | | 4,710,128 | 2,095,111 |
| Decrease (Increase) in: | | | |
| Receivables | | 899,524 | (1,805,449) |
| Prepaid expenses and other current assets | | (208,287) | (106,158) |
| Increase (Decrease) in: | | | |
| Trade payables and other current liabilities | | (927,574) | 107,191 |
| Customer deposits | | 112 | 65 |
| Net cash generated from operations | | 4,473,903 | 290,760 |
| Income tax paid | | (1,709) | (1,235) |
| Interest received | | 66,254 | 16,023 |
| Net cash provided by operating activities | | 4,538,448 | 305,548 |
| **Cash flows from investing activities** | | | |
| Additions to: | | | |
| Property and equipment | | (313,098) | (165,195) |
| Investment and advances | | (15) | (338,412) |
| Increase in other noncurrent assets | | (166,111) | (125,528) |
| Net cash used in investing activities | | (479,224) | (629,135) |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of common shares | | 154,703 | - |
| Payments for: | | | |
| Loans payable | 4 | - | (250) |
| Dividends | | - | (15,313) |
| Interest | | (31,927) | (26,915) |
| Net cash provided by (used in) financing activities | | 122,776 | (42,478) |
| Net increase (decrease) in cash and cash equivalents | | 4,182,000 | (366,065) |
| Cash and cash equivalents at beginning of period | | 13,977,434 | 4,264,238 |
| Cash and cash equivalents at end of period | | 18,159,434 | 3,898,173 |

**Unaudited*

(The notes are integral part of these financial statements)

**DigiPlus Interactive Corp. and Subsidiaries**

Notes to Unaudited Interim Condensed Consolidated Financial Statements
As at March 31, 2025 and December 31, 2024
And for the three months ended March 31, 2025 and 2024
(In the notes, all amounts are shown in thousands Philippine Peso unless otherwise stated)

## Note 1 - Corporate information

DigiPlus Interactive Corp. (the Parent Company or "DigiPlus") was registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1957. The accompanying interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (collectively referred to as the "Group" and individually as "Group entities") and the Group's interest in joint venture and associates.

The Parent Company is a public company under Section 17.2 of the Revised Securities Regulation Code (SRC) and its shares are listed on the Philippine Stock Exchange, Inc. (PSE).

The Parent Company's primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as, but not limited to resorts, golf courses, clubhouses and sport facilities, hotels and gaming facilities, including but not limited to bingo parlors with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

The Group's registered office address is Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

## Note 2 - Summary of material accounting policies

### 2.1 Basis of preparation and presentation

The interim condensed consolidated financial statements have been prepared on a historical cost convention basis, except for:

- Certain financial assets carried at FVOCI;
- Investment properties carried at fair value

The interim condensed consolidated financial statements are presented in Philippine Peso, the Group's functional and presentation currency. All values are rounded to the nearest thousands (000), except when otherwise indicated. The interim condensed consolidated financial statements have been prepared based on the accounting policies disclosed in the most recent audited annual consolidated financial statements.

Statement of compliance

The interim condensed consolidated financial statements for the three months ended March 31, 2025 have been prepared in accordance with PAS 34, Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2024.

**2.2 Changes of accounting policies and disclosures**

*New standards, amendments and interpretations adopted by the Group*

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual audited consolidated financial statements for the year ended December 31, 2024 except for the new PFRS, amended PFRS, improvements to PFRS and interpretations which were adopted beginning January 1, 2025. Unless otherwise indicated, the Group does not expect the future adoption of the said pronouncements to have a significant impact on its interim condensed consolidated financial statements.

*Effective beginning on or after January 1, 2025*
- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates, Lack of Exchangeability*

*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

**2.3 Basis of consolidation**

*Subsidiaries*

The interim condensed consolidated financial statements include the financial statements of the Group as at March 31, 2025 with comparative audited figures as at December 31, 2024 and unaudited consolidated statements of total comprehensive income for the periods ended March 31, 2025 and 2024.

The Group controls an investee if and only if the Group has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated.

Accounting policies and reporting period of its subsidiaries are consistent with the policies adopted by and the reporting period of the Parent Company.

*Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired in tł carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

*Disposal of a subsidiary*

When the Group ceases to have control, any retained interest in the subsidiary is re-measured to its fair value at the date when control is lost, with the change in carrying amount generally recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the Group surrenders control to a related party within the group it ultimately belongs, the difference between the consideration received and the fair value of the subsidiary at divestment date, is recognized as other charges to equity.

The interim condensed consolidated financial statements include the financial statements of the Group and the following subsidiaries as at March 31, 2025 and December 31, 2024:

| Subsidiaries | Percentage of ownership | | Country of incorporation |
|---|---|---|---|
| | March 31, 2025 | December 31, 2024 | |
| AB Leisure Exponent, Inc. (ABLE) and subsidiaries | 100 | 100 | Philippines |
| AB Leisure Global, Inc. (ABLGI) | 100 | 100 | Philippines |
| LR Land Developers, Inc. (LRLDI) | 100 | 100 | Philippines |
| Prime Investment Korea, Inc. (PIKI)* | 100 | 100 | Philippines |
| Total Gamezone Xtreme Incorporated (TGXI) | 100 | 100 | Philippines |
| Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI) | 100 | 100 | Philippines |
| Diginvest Holdings Inc. (Diginvest) | 100 | 100 | Philippines |
| Blue Chip Gaming and Leisure Corporation (BCGLC) | 100 | 100 | Philippines |
| Gold Coast Leisure World Corporation (GCLWC) | 100 | 100 | Philippines |
| LR Data Center and Solutions Inc. (LRDCSI) | 80 | 80 | Philippines |
| First Cagayan Leisure and Resort Corporation (FCLRC) | 97.27 | 97.27 | Philippines |
| First Cagayan Converge Data Center, Inc. (FCCDCI) | 68.36 | 68.36 | Philippines |
| Bingo Bonanza (HK) Limited (BBL)** | 60 | 60 | Hong Kong |

**Non-operating subsidiary*
***Deregistered*

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Group. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

In 2024, DigiPlus acquired additional 10% minority interest in FCLRC. Cash consideration was paid to the non-controlling shareholder.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

*Subsequent event*

On April 30, 2025, Diginvest incorporated DigiPlus Global Pte. Ltd. as its wholly owned subsidiary. The Company is formally registered under Singapore's business activity classification for head and regional offices, acting as the Group's centralized administrative and management office. DigiPlus Global's registered office address is located at 36 Robinson Road, #20-01, City House, Singapore 068877.

*Non-controlling interest (NCI)*

NCI represent the portion of profit or loss and net assets or liabilities not held by the Group and are presented separately in the consolidated statements of total comprehensive income, consolidated statements of changes in equity, and within equity in the consolidated statements of financial position, separately from Group's equity attributable to equity holders of the Group. Losses applicable to the NCI in a subsidiary (including components of other comprehensive income) are allocated to the NCI even if doing so results in a deficit NCI balance.

ABLE

ABLE, a wholly owned subsidiary, was registered with the SEC on December 28, 1994. Its primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games. ABLE offers traditional and electronic bingo games on its bingo halls across the country. In January 2022, PAGCOR granted ABLE with an online traditional bingo license for its new application BingoPlus.

ABLE's registered office address is located at 5th Floor Units 536-544 Bldg. D SM Megamall, EDSA Brgy. Wack-wack, Mandaluyong City.

The interim condensed consolidated financial statements also include the following indirect subsidiaries owned through ABLE as at March 31, 2025 and December 31, 2024:

| Subsidiaries | Percentage of Ownership March 31, 2025 | December 31, 2024 | Country of incorporation |
|---|---|---|---|
| Alabang Numbers & Gaming Corporation | 100 | 100 | Philippines |
| Allpoint Leisure Corporation | 100 | 100 | Philippines |
| Alpha One Amusement and Recreation Corp. | 100 | 100 | Philippines |
| Big Time Gaming Corporation | 100 | 100 | Philippines |
| Bingo Extravaganza, Inc. | 100 | 100 | Philippines |
| Bingo Gallery, Inc. | 100 | 100 | Philippines |
| Bingo Heaven Inc.* | 100 | 100 | Philippines |
| Bingo Palace Corporation | 100 | 100 | Philippines |
| Cebu Entertainment Gallery, Inc. | 100 | 100 | Philippines |
| Fiesta Gaming and Entertainment Corporation* | 100 | 100 | Philippines |
| First Leisure & Game Co., Inc. | 100 | 100 | Philippines |
| Galleria Bingo Corporation | 100 | 100 | Philippines |
| Gamexperience Entertainment Corp. | 100 | 100 | Philippines |
| Grand Polaris Gaming Co., Inc. | 100 | 100 | Philippines |
| G-One Gaming & Technology, Inc. | 100 | 100 | Philippines |
| Highland Gaming Corporation | 100 | 100 | Philippines |
| Iloilo Bingo Corporation | 100 | 100 | Philippines |
| Metro Gaming Entertainment Gallery, Inc. | 100 | 100 | Philippines |
| Rizal Gaming Corporation | 100 | 100 | Philippines |
| SG Amusement and Recreation Corp. | 100 | 100 | Philippines |
| South Bingo Corporation | 100 | 100 | Philippines |
| South Entertainment Gallery Incorporated | 100 | 100 | Philippines |
| Topmost Gaming Corp. | 100 | 100 | Philippines |
| Topnotch Bingo Trend, Inc. (Topnotch) | 100 | 100 | Philippines |
| One Bingo Pavilion Inc. | 100 | 100 | Philippines |
| Worldwide Links Leisure and Gaming Corporation | 100 | 100 | Philippines |
| Bingo Dinero Corporation (Bingo Dinero) | 100 | 100 | Philippines |
| Manila Bingo Corporation | 100 | 100 | Philippines |
| Summit Bingo, Inc.** | 100 | 100 | Philippines |
| One Bingo Place, Incorporated*** | 99 | 99 | Philippines |
| Bingo Zone, Inc.* | 95 | 95 | Philippines |
| Isarog Gaming Corporation | 90 | 90 | Philippines |
| Negrense Entertainment Gallery, Inc. | 55 | 55 | Philippines |

**Non-operating subsidiaries.*
*** In 2024, ABLE acquired the remaining 40% minority interest in Summit Bingo, Inc. increasing its ownership interest to 100%. Cash consideration was paid to the non-controlling shareholder.*
****In 2024, ABLE subscribed to the entire increase in One Bingo Place, Incorporated's authorized capital stock, resulting in a dilution of the non-controlling interest (NCI). Consequently, ABLE's ownership interest increased from 95% to 9*

The indirect subsidiaries' primary purpose is to provide amusement and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games.

ABLGI

ABLGI, a wholly owned subsidiary, was registered with the SEC on October 20, 2009. Its primary purpose is to acquire, own, use, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises such as but not limited to resorts, golf courses, clubhouses and sports facilities, hotels and gaming facilities, with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith. ABLGI started its operations on January 1, 2013.

ABLGI's registered office address is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

The interim condensed consolidated financial statements also include the following indirect subsidiaries owned through ABLGI as at March 31, 2025 and December 31, 2024:

| Subsidiaries | Percentage of Ownership | | Country of incorporation |
|---|---|---|---|
| | March 31, 2025 | December 31, 2024 | |
| AB Leisure Asia Holdings Inc. (ABLAHI) | 100 | 100 | Philippines |
| AB Leisure Holdings Philippines Corp (ABLHPC) | 100 | 100 | Philippines |
| G-L Real Estate JV Corporation (GL-JV) | 100 | 100 | Philippines |
| G-Boracay Land Holdings Inc. (GBLHI) | 100 | 100 | Philippines |
| G-Boracay Alpha Holdings Inc. (GBAHI) | 100 | 100 | Philippines |
| DigiLive Inc. (formerly G-Boracay Gamma Holdings Inc. (GBGHI) | 100 | 100 | Philippines |
| Leisure and Media Plus Corporation (LMPC) | 100 | 100 | Philippines |
| DigiPlus Brazil Holdings Ltda. | 100 | 100 | Brazil |
| DigiPlus Brazil Interactive Ltda. | 100 | 100 | Brazil |

The indirect subsidiaries' primary purpose is the same as ABLGI. These indirect subsidiaries were incorporated in 2017 for a future project. The land for such project was acquired in 2017 at a cost of P4,759,548,749.

On May 29, 2024, ABLGI incorporated LMPC as its wholly owned subsidiary. The primary purpose of the Company is to engage in the production, marketing and sales subscription and/or advertising-supported sports and entertainment content services through the curation and aggregation of local and international programming. The principal office of the corporation is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

On July 3, 2024, ABLGI incorporated DigiPlus Brazil Holding Ltda. as its wholly owned subsidiary. The Company's corporate purpose is holding equity stakes, as member, shareholder or quotaholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in Sao Paulo, Brazil.

On July 12, 2024, the BIR has issued the Certificate Authorizing Registration of transfer of 100% shares in Gamemaster Integrated Inc. from GBLHI to DigiPlus Interactive Corp.

On July 24, 2024, DigiPlus Brazil Holding Ltda. incorporated DigiPlus Brazil Interactive Ltda. as its wholly owned subsidiary. The Company's corporate purposes are operation of fixed-odds betting and holding equity stakes, as member, shareholder or quotaholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in Sao Paulo, Brazil. The Company has not started its operations.

On August 18, 2024, DigiPlus, through its wholly-owned subsidiary, DigiPlus Brazil Interactive Ltda., filed an application for Licença Para Loterias De Apostas De Quota Fixa, which is a federal license that allows the operations of land-based and online sports betting, electronic games, live game studios, and other fixed-odds betting activities in Brazil.

On November 21, 2024, DigiPlus Brazil Interactive Ltda., has passed the qualification stage for a federal license with Brazil's Ministry of Finance's Secretariat of Awards and Bets (SPA). DigiPlus have 30 days to fulfill post-qualification regulatory requirements, including platform certification and license fee payments.

In January 2025, DigiPlus secured the Definitive Authority from the Brazilian government to operate iGaming products through DigiPlus Brazil Interactive Ltda. The federal license authorizes DigiPlus to operate land-based and online sports betting, electronic games, and other fixed-odds betting activities across Brazil.

LRLDI

On December 10, 2007, the Parent Group incorporated LRLDI as its wholly-owned subsidiary. It is engaged in realty development and lease of properties. LRLDI started its operations in 2010.

LRLDI's registered office address is located at 35th Floor, Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

PIKI

PIKI was registered with the SEC on November 9, 2012. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. On July 3, 2013, PIKI obtained a Grant of Authority from PAGCOR for the privilege and authority to bring in pre-registered non-Philippine junket players (with passports bearing Philippine arrival dates no later than five (5) days prior to the initial entry in the Gaming Rooms) to play the designated junket Gaming Rooms at PAGCOR's Casino Filipino - Midas, with a minimum gaming table mix to be determined by PAGCOR. On March 22, 2013, the Parent Group acquired 100% of PIKI's outstanding capital stock. PIKI started its operations on July 26, 2013.

PIKI was licensed by PAGCOR to operate a junket within PAGCOR's Casino Filipino-Midas. Junket operations have been suspended at the start of the ECQ. In November 2021, PIKI ceased its operations.

TGXI

TGXI was registered with the SEC on June 27, 2014 primarily to engage in general amusement, gaming operations and recreation enterprises. PAGCOR granted TGXI the privilege to establish, install, maintain, and operate PeGS. PeGS is a gaming facility that offers virtual casino games. TGXI started commercial operations on July 16, 2014.

TGXI operates PeGS in several locations across the country. Its operations were suspended on March 16, 2020 until June 16, 2020. Relative to PAGCOR's memorandum on June 5, 2020, TGXI was allowed to operate at 50% and 30% capacity in sites under MGCQ and GCQ, respectively. In 2021, with the government easing the quarantine restrictions, ABLE resumed its sites' operations.

TGXI's principal office is at 2/F Starmall Bldg., EDSA cor. Shaw Blvd., Mandaluyong City.

BCGLC

BCGLC was registered with the SEC on February 26, 2009. Its primary purpose is to provide investment, management counsel and to act as agent or representative for business enterprises engaged in gaming, recreation and leisure activities. On October 20, 2009, BCGLC (lessor), as the authorized representative of Munich Management Limited (a foreign corporation duly organized and registered in British Virgin Islands), entered into a contract of lease with PAGCOR (lessee), for the use of slot machines and gaming facilities.

On July 24, 2015, BCGLC incorporated Gold Coast Leisure World Corp. (GCLWC) as its wholly owned subsidiary. Its primary purpose is to purchase, acquire, own, lease (except financial leasing), sell and convey real properties such as lands, buildings, factories, and warehouses and machineries, equipment, and ot personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, share of its capital stock, debentures and other evidences of indebtedness, or other securities as may be deemed expedient, for any business or property acquired by the corporation.

BCGLC's registered office address is at King's Royal Hotel and Leisure Park, Olongapo Gapan Road, Macabacle, Bacolor, Pampanga.

LRDCSI

LRDCSI was registered with SEC on May 20, 2016 and started its operation in October 2017. LRDCSI is a technology Group engaged in aggregating data and telecommunication services. LRDCSI's revenue model involves acquiring services from local and foreign technology and telecommunications companies at wholesale rates, bundling said services and then reselling the services at retail rates. The premium for such activity is warranted given the bespoke and higher level of customer engagement provided by the LRDCSI.

LRDCSI's portfolio includes solutions related to data center co-location, internet, private leased lines, mobile and voice platforms, cybersecurity, content delivery networks, e-commerce, and network and website optimization. LRDCSI aims to provide these services to customers and clients in all industry sectors including land based and online gaming operators. DigiPlus owns 80% of the outstanding capital stock of LRDCSI while an individual stockholder owns 20%.

LRDCSI provides advanced information technology infrastructure services for businesses such as co-location, internet services, connectivity, business continuity and disaster recovery, and managed professional services. Service agreements with the customers are renewable annually. Due to the COVID-19 pandemic, some of the clients of LRDCSI terminated or have not renewed its contract.

LRDCSI's registered office address is located at 26th Floor West Tower, PSE Center, Exchange Road, Ortigas Center, Brgy. San Antonio, Pasig City.

FCLRC

FCLRC was incorporated on April 26, 2000 and is a Cagayan Special Economic Zone and Freeport (CSEZFP) registered enterprise. FCLRC has an existing License Agreement with the Cagayan Economic Zone Authority (CEZA) to develop, operate and conduct internet and gaming enterprises and facilities in the CSEZFP. Pursuant to the License Agreement, CEZA issued the "CEZA Master Licensor Certificate" certifying that FCLRC is duly authorized to regulate and monitor, on behalf of CEZA, all activities pertaining to the licensing and operation of interactive games.

As Master Licensor in CEZA, FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the internet casino, in accordance with an agreed formula. Since COVID-19 impacted the operations of the CEZA licensees, FCLRC's sub-license fee also decrease due to discontinuance of the operations of its locators/licensees.

FCLRC's registered office address is located at Guest House, CEZA Complex, Casambalangan, Sta. Ana, Cagayan.

FCCDCI

On March 1, 2007, FCLRC and IP Converge Data Center Corp. (IPCDCC) entered into a Shareholders Agreement (Joint Venture) to engage in the business of information technology such as, but not limited to IP communication, co-location, bandwidth, disaster recovery services, software development, internet merchant payment processing and payment solution to the licensed locators of FCLRC, as well as the CEZA. The Joint Venture shall likewise invest in building, upgrading and maintaining the IP communications infrastructure that connects CEZA to the global internet. This includes fiber optic networks, wireless radio stations, telco-grade internet data center, network operations center, and network hubs/access points. This investment is made by FCLRC in relation to the Master Development Plan for Tourism Area in CSEZFP and the Development of Information Technology (IT) Facilities and Telecommunications (Master Development Plan).

FCCDCI was incorporated and registered with the SEC on November 14, 2007, and started commercial operations on January 1, 2008. FCLRC owns 60% of FCCDCI and the remaining 40% is owned by IPCDCC.

On May 15, 2012, IPCDCC entered into a Deed of Assignment of Subscription Rights with IP Ventures, Inc. (“IPVI” a third-party Group) whereby IPCDCC assigned all the rights, interests and participation to IPVI. On January 1, 2017, IPVI entered into a Deed of Absolute Sale of Share of Stock with LRDCSI, whereby IPVI assigned its rights, interest and participation to its 5,000,000 shares of stock or 20% ownership in FCCDCI.

By virtue of the Deed of Absolute Sale of Share of Stock entered into by IPVI and LRDCSI, DigiPlus obtained a 57.81% effective interest and control in FCCDCI through its direct subsidiaries FCLRC and LRDCSI at 60% and 20% equity stake in FCCDCI, respectively. Thus, due to the effect of the 20% additional equity interest, FCCDCI is consolidated into the Group effective January 1, 2017.

FCCDCI provides advanced information technology infrastructure services for businesses such as colocation, internet services, connectivity, business continuity and disaster recovery, and managed professional services. Service agreements with the customers are renewable annually. Due to the COVID-19 pandemic, some of the clients of FCCDCI terminated or have not renewed its contract.

FCCDCI’s registered office address is at Centro Municipality of Sta. Ana, Cagayan Economic Zone, Cagayan Province.

BBL

On March 15, 2010, the Parent Group incorporated BBL as its 60%-owned subsidiary. Its primary purpose is to engage in the business of gaming, recreation, leisure and lease of property. BBL was incorporated under the Companies Ordinance of Hong Kong and started its operations in March 2012. It is currently non-operational and in the process of liquidation.

Transactions eliminated on consolidation

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated. Unrealized gains from transactions with the equity accounted investees are eliminated against the investment to the extent of the Group’s interest in investee. Unrealized losses are eliminated in the same way as unrealized gains, to the extent that there is no evidence of impairment.

## Note 3 - Property and equipment, net

During the three months ended March 31, 2025, the Group acquired assets totaling P313,098. This includes renovation of land-based sites and purchase of office and IT equipment.

## Note 4 - Investment properties

Investment properties as at March 31, 2025 and December 31, 2024 consist of:

| | 2025 | 2024 |
|---|---|---|
| Land | 10,985,054 | 10,985,054 |
| Land improvements | 11,480 | 11,480 |
| Building | 220,477 | 220,477 |
| | 11,217,011 | 11,217,011 |

The Group's investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser. The Group's latest appraisal reports are dated December 31, 2024.

## Note 5 - Loans payable

*Long-term loans*

Long term loans as at March 31, 2025 and December 31, 2024, are as follows:

| | | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | Ref | Current portion | Non-current portion | Current portion | Non-current portion |
| Chip Leader / Prominence | b | 733,781 | - | 733,781 | - |

a. On October 3, 2023, ABLE entered into a short-term loan agreement with Union Bank (UB) amounting to P1,000 with annual interest rate of 7.5% maturing on September 27, 2024. In 2024, the Company fully settled the loan. During the first quarter of 2024, the Company partially settled the loan amounting to P250.

   On June 14, 2024, ABLE entered into a 180-day short-term loan agreement with UB amounting to P5,000 with annual interest rate of 7.75% maturing on December 11, 2024. In 2024, the Company fully settled the loan.

b. In February 2020, LRLDI entered into a loan agreement with Chip Leader Holdings Corporation (CLHC) to finance its operational and capital expenses. The loan amounting to US$10,000,000 or P480,230 shall be payable in March 2023. The loan is secured by land owned by LRLDI located in Cagayan with fair value as at March 31, 2025 and December 31, 2024 amounting to P1,914,285.

   In 2021, CLHC provided the Company an extension for the first principal payment for an additional twelve months from its original due date of March 1, 2021. On June 1, 2021, CLHC extended an additional loan to the Company amounting to US$6,320,000 (or P355,980) with annual interest rate of 3% on the unpaid principal amount and with maturity date same as the original loan. The additional loan is secured by the above-mentioned properties owned by the Company.

   In February 2023, LRLDI partially settled the loan amounting to P200,000. In March 2023, CLHC further granted LRLDI with a twelve-month extension for the outstanding balance of the loan.

   In 2024, CLHC assigns and transfers to PGAF absolutely all the rights, title, benefits and interests to and in, and all the benefits of, the respective loan.

   The loan is and shall remain secured by any mortgage, charge, debenture or other security of any kind over the whole or any part of the assets of the Company or its subsidiaries and is not and shall not be capable of becoming subject to any right of set off or counterclaim and should any security be created for the loan, such security shall be forthwith pledged or sub pledged to the PGAF to secure the loan and deposited with the PGAF.

c. On June 21, 2024, ABLE entered into a 180-day short-term loan agreement with Philippine Business Bank amounting to P5,000 with annual interest rate of 8.00% maturing on December 17, 2024. In 2024, the Company fully settled the loan.

d. On June 24, 2024, DigiPlus entered into a 179-day short-term loan agreement with Sterling Bank of Asia amounting to P5,000 with annual interest rate of 8.00% maturing on December 20, 2024. In 2024, the Company fully settled the loan.

e. In April 2023, ABLE entered into a term-loan facility with AUB amounting to P3,000,000 available for multiple drawdowns to finance both capital and general corporate expenditures. The loan is payable in 9 consecutive quarterly installments on its respective repayment dates beginning at the end of the 4$^{th}$ quarter from the initial drawdown date. Total transaction costs incurred for the availment of the loan amounted to P38,180. The loan is subject to interest rate calculated as the higher of (i) sum of benchmark rate and 2.25% divided by 0.95, or (ii) floor rate of 7% divided by 0.95, payable on a quarterly basis and is subject to annual repricing.

   The loan contains restrictive covenants which include, among others, maintenance of debt-to-equity ratio not exceeding 2.0x and a minimum debt service coverage ratio of 1.10x which shall be tested annually based on the audited consolidated financial statements of the Group.

   The loan is secured by land owned by G-L Real Estate JV Corporation located in Boracay with fair value amounting to P8,835,614 as at March 31, 2025 and December 31, 2024. Initial drawdown was made in April 2023 amounting to P1,200,000. The loan is presented net of debt issue cost. In 2024, the Group pre-terminated its long-term loan facility with AUB which will mature in April 2026. The loan was fully paid in 2024.

Interest expense related to the loans for the three months ended March 31, 2025 and 2024 amounted to P5,370 and P14,146, respectively.

**Note 6 - Equity**

Equity as at March 31, 2025 and December 31, 2024 is as follows:

| | March 31, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| | Amount | Number of shares | Amount | Number of shares |
| Capital Stock | | | | |
| Authorized: | | | | |
| Common shares - P1 par value | 7,000,000 | 7,000,000,000 | 7,000,000 | 7,000,000,000 |
| Balance at beginning of period | 4,785,307 | 4,785,306,666 | 4,785,307 | 4,785,306,666 |
| Issuance of common shares | 25,285 | 25,285,500 | - | - |
| Balance at end of period | 4,810,592 | 4,810,592,166 | 4,785,307 | 4,785,306,666 |

Capital Stock

Pursuant to the registration statement rendered effective by the SEC on February 6, 1958 and permit to sell issued by the SEC dated February 6, 1958 - 15,000 common shares of the Parent Company were registered and may be offered for sale at an offer price of P1.33 per common share.

On June 18, 2013, the SEC approved the increase in the Parent Company's authorized capital stock from P1,600,000 to P5,000,000 divided into 2,500,000 common shares and 2,500,000 preferred shares with each class having a par value of P1 per share. The preferred shares may be issued in tranches or series and shall be non-voting, non-participating, entitled to preferential and cumulative dividends at the rate not exceeding 12% per annum, and shall have such other rights, preferences, restrictions and qualifications as may be fixed by the BOD at their issuance.

The preferred shares have a coupon rate of 8.5% per annum and are paid semi-annually. These preferred shares are cumulative, non-voting and non-participating. Twenty (20) preferred shares will entitle each investor to one warrant. Each warrant, if exercised at a price of P15 or the average weighted trading price for the three months prior (whichever is lower) will be converted to one common share. This option will be exercisable starting on the fifth year until the eighth year.

On January 11, 2019, the Parent Company's BOD and stockholders approved the issuance of up to 1,300,147 common shares from the unissued capital stock through a private placement at a price based on a premium over the DigiPlus' shares closing price on November 29, 2018.

In March and April 2019, 1,217,647 common shares were subscribed at P3.60 per share by virtue of the subscription agreements entered into by the Parent Company with its investors. Transactions costs related to the share issuance amounting to P16,604 are recognized as deduction to additional paid-in capital.

On June 15, 2021 and July 30, 2021, the BOD and stockholders of Parent Company, respectively, approved the reclassification of DigiPlus' 1.5 million preferred shares into common shares.

On May 20, 2022, the SEC approved the amendment of the Articles of Incorporation reflecting this reclassification. On November 22, 2021 and January 7, 2022, the BOD and stockholders respectively approved the reclassification of the remaining 1.0 billion preferred shares into common shares.

Pursuant to the Subscription Agreements, the payment of the subscription price to DigiPlus shall be fully paid by the subscribers within 90 days from signing of their respective Subscription Agreements, which will fall on June 9, 2022. On May 10, 2022, the Board approved the extension of the deadline to pay up to August 9, 2022. On August 8, 2022, the Parent Company received the full payment of the subscription amount from all the private placement subscribers. The 1,272,352,512 subscribed shares were issued from the 1,650,000,000 treasury shares. Transaction costs related to share issuances amounting to P12,723 are recognized as deduction to additional paid-in capital. On June 21, 2024, PSE approved the listing of the 1.65 billion shares.

On September 15, 2022, the BOD of the Parent Company approved the increase of the Company's authorized capital stock from P5 billion to P7 billion. On November 24, 2022, the amendment was approved by the stockholders. On September 12, 2023, the SEC approved the increase in authorized capital stock and the issuance of 691.2 million shares at P2.68 per share to its subscribers. Transaction costs related to share issuances amounting to P6,912 are recognized as deduction to additional paid-in capital. On October 10, 2024, PSE approved the listing of the 691.2 million shares.

In March 2025, 16,811,900 and 8,473,600 shares were issued at an exercise price of P2.68 and P12.94 per share, respectively, in favor of the ESOP grantees who exercised and fully paid for their options. On April 3, 2025, the exercised shares were listed with the PSE.

Thereafter, on April 22, 2025, a total of 16,434,100 PLUS shares were issued in favor of the ESOP grantees who exercised and fully paid for their options. This is currently pending listing with the PSE subject to the submission of the post-approval requirements insofar as these exercised shares are concerned. The 16,434,100 PLUS common shares have been issued and recorded in the books of the Company as of April 22, 2025.

As of March 31, 2025 and December 31, 2024, the Parent Company has 1,803 common stockholders.

Declaration of Cash Dividends

On March 7, 2025, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.86 per outstanding common share. The cash dividends will be payable on April 4, 2025, to stockholders of record as of March 24, 2025.

On March 19, 2024, DigiPlus' Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.18 per outstanding common share. The cash dividends were paid on April 18, 2024 to stockholders of record as of April 4, 2024.

As at March 31, 2025 and December 31, 2024, unpaid dividends, included under "Dividends payable" account in the interim condensed consolidated statements of financial position, amounted to P3,819,172 and P6,842, respectively.

Treasury Shares

Details of treasury shares as at March 31, 2025 and December 31, 2024 are as follows:

| | Parent Company Treasury Shares | | Parent Company Shares held by ABLE | |
|---|---|---|---|---|
| *Number of shares* | 2025 | 2024 | 2025 | 2024 |
| Balance at beginning of period | 377,647,488 | 377,647,488 | 21,567,000 | 21,567,000 |
| Issuance of shares | - | - | - | - |
| Balance at end of period | 377,647,488 | 377,647,488 | 21,567,000 | 21,567,000 |

| *Amount* | 2025 | 2024 | 2025 | 2024 |
|---|---|---|---|---|
| Balance at beginning of period | 377,647 | 377,647 | 53,951 | 53,951 |
| Issuance of shares | - | - | - | - |
| Balance at end of period | 377,647 | 377,647 | 53,951 | 53,951 |

Earnings per Share

Basic/diluted earnings per share for the three months ended March 31 is computed as follows:

| | 2025 | 2024 |
|---|---|---|
| Net income attributable to equity holders of the Parent Company (a) | 4,201,999 | 1,995,458 |
| Number of shares | | |
| Weighted average number of shares outstanding for the purpose of basic earnings per share (b) | 4,411,031 | 4,407,659 |
| Effect of diluted share options | 181,236 | - |
| Weighted average number of shares outstanding for the purpose of diluted earnings per share (c) | 4,592,267 | 4,407,659 |
| Basic earnings per share (a/b) | 0.9526 | 0.4527 |
| Diluted earnings per share (a/c) | 0.9150 | 0.4527 |

Share-based compensation plan

The establishment of the employee share option plan ("the Plan") was approved by the BOD of the Parent Company and the stockholders on January 31, 2023 and March 27, 2023 respectively. The Plan was established to recognize the contributions of key individuals within the Group whose contributions are essential to growing the business and delivering long-term shareholder returns. Under the Plan, the participants are granted options which will vest in accordance with the Group's vesting policy and the fair value of each option is estimated on the grant date using an appropriate valuation model.

On July 4, 2024, the SEC approved the Parent Company's application for exemption from filing registration statement of the Plan.

Options are granted under the Plan for no consideration and carry no dividend or voting rights. Each option can be converted to a single share at an exercise price depending on the volume weighted average of share price for the 30-trading days immediately prior to the grant date.

The Plan is administered by the Compensation Committee of the BOD, and its sub-committee specially created for purposes of administering the Plan. When the options are exercised, the trust transfers the appropriate amount of shares to the employee. Any proceeds received, net of directly attributable transactions costs, are credited directly to equity.

Set out below are summaries of options granted under the plan:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| At beginning of period | 259,714,133 | 127,324,564 |
| Granted during the period | - | 134,399,569 |
| Exercised during the period | (25,285,500) | - |
| Forfeited during the period | - | (2,010,000) |
| At end of period | 234,428,633 | 259,714,133 |
| Vested and exercisable at end of period | 59,273,412 | 45,001,956 |

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry dates:

| Grant date | Expiry date | Share options March 31, 2025 | Share options December 31, 2024 |
|---|---|---|---|
| *Batch 1* | | | |
| Tranche 1 - April 1, 2023 | January 1, 2029 | 28,190,056 | 45,001,956 |
| Tranche 2 - April 1, 2023 | January 1, 2030 | 39,556,956 | 39,556,956 |
| Tranche 3 - April 1, 2023 | January 1, 2031 | 40,755,652 | 40,755,652 |
| *Batch 2* | | | |
| Tranche 1 - November 12, 2024 | January 1, 2030 | 35,878,257 | 44,351,857 |
| Tranche 2 - November 12, 2024 | January 1, 2031 | 44,351,858 | 44,351,858 |
| Tranche 3 - November 12, 2024 | January 1, 2032 | 45,695,854 | 45,695,854 |
| Total | | 234,428,633 | 259,714,133 |
| Weighted average remaining contractual life of options outstanding at end of period | | 5.26 | 5.51 |

The model inputs for options granted included the following:

| | Batch 1 | Batch 2 |
|---|---|---|
| Grant date | April 1, 2023 | November 12, 2024 |
| Expiry date | January 1, 2029 to 2031 | January 1, 2030 to 2032 |
| Strike price | P2.68 | P12.94 |
| Fair value at grant date | P1.42 | P12.70 |
| Share price at grant date | P2.66 | P19.90 |
| Expected dividend yield | 0.87% | 0.15% |

The fair value at grant date is independently determined using a Modified Binomial Tree Model that takes into account the stock price volatility, risk-free rate, dividend yield, employee exercise behavior and forfeiture rates. The fair value is recognized as an expense over the relevant service period, which is the vesting period of the options.

The compensation expense recognized during the period ended March 31, 2025 and 2024 amounted to P189,699 and nil, respectively, which is presented under cost and operating expenses in the unaudited interim condensed consolidated statements of total comprehensive income. As at March 31, 2025 and December 31, 2024, the stock option reserve arising from the Plan amounted to P842,657 and P778,271, respectively.

On January 28, 2025, the Philippine Stock Exchange ("PSE") issued the Notice of Approval to list up to 220,382,958 PLUS common shares to cover its ESOP.

## Note 7 - Gaming licenses to operate

Revenue from retail games for the three months ended March 31 are as follows:

| | 2025 | 2024 |
|---|---|---|
| Bingo games | 1,799,089 | 2,006,064 |
| Electronic games | 20,954,125 | 11,369,845 |
| | 22,753,214 | 13,375,909 |

a. Bingo games

Revenue from Bingo games is composed of revenue from the online and offline traditional bingo games, electronic bingo games and rapid bingo system.

*Operation of online traditional bingo (OTB) games*

The Group remits to PAGCOR its share of 15% on Gross Gaming Revenue (GGR), where GGR is equal to Gross Bets less Total Payouts, or a monthly Minimum Guaranteed Fee (MGF) of P100 million, whichever is higher, including the 5% franchise tax on PAGCOR share. On August 15, 2023, PAGCOR issued a memorandum on the Regulatory Framework for the Fees and Rates on Gaming Site Operations. Effective August 2023 to March 2024, ABLE remits 20% PAGCOR share on GGR from OTB. From April 2024 to December 2024, PAGCOR share is calculated at 25% of GGR. Starting January 1, 2025, PAGCOR share is calculated at 30% of GGR.

In addition, the cost for services of PAGCOR's Third Party Audit Provider equivalent to 10% of the PAGCOR share net of franchise tax is also remitted to PAGCOR.

*Operation of traditional bingo games*

PAGCOR awarded ABLE and its subsidiaries the authority to operate and conduct traditional bingo games, as well as the betting aspect thereof, within the confines of the game sites. The licenses for various periods ranging from September 2020 to September 2023. In September 2023, the licenses were renewed and are valid until September 2025.

The Group pay PAGCOR 15% of its gross bingo card sales as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. From April 2024 to December 2024, PAGCOR share is calculated at 25% of GGR. Starting January 1, 2025, PAGCOR share is calculated at 30% of GGR.

*Operation of electronic bingo games*

PAGCOR awarded the Group the authority to operate and conduct electronic bingo games, as well as the betting aspect thereof, within the confines of the game sites. The Licenses for various periods ranging from February 2017 to March 2024. In March 2024, the licenses were renewed and are valid until March 2026.

The Group pays PAGCOR 50% of its revenue less payouts as franchise fee until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 42.5% of GGR. From April 2024 to December 2024, PAGCOR share is calculated at 35% of GGR. Starting January 1, 2025, PAGCOR share is calculated at 30% of GGR.

*Operation of New Rapid Bingo System (NRBS)*

On September 27, 2005, PAGCOR granted ABLE the authority to operate and conduct rapid bingo games, subject to the approved terms and conditions of NRBS operations and the use of the prescribed NRBS card format. ABLE pays PAGCOR 15% of its gross sales (total amount wagered or bets) from the NRBS operations, which shall be remitted twice weekly, until July 2023. Effective August 2023 to March 2024, PAGCOR share is calculated at 20% of GGR. From April 2024 to December 2024, PAGCOR share is calculated at 25% of GGR. Starting January 1, 2025, PAGCOR share is calculated at 30% of GGR.

*Distribution and sale of pull-tabs or break-open cards*

On August 3, 2005, PAGCOR granted ABLE the authority to distribute and sell pull-tabs or break-open cards in all of the branches of ABLE and its subsidiaries. In consideration of the Grant, ABLE shall pay PAGCOR 15% of gross card price which shall be remitted to PAGCOR by ABLE upon draw-down of cards from the supplier, regardless of quantity of cards sold.

b. Electronic games

PAGCOR awarded DigiPlus the authority to operate and conduct electronic games, as well as the sports betting aspect thereof. The Licenses for various periods ranging from December 2017 to August 2023 are subject to renewal after one (1) to (2) two years upon mutual agreement of both parties. In August 2023, the Licenses were renewed and are valid until August 2025.

The Group pays PAGCOR 25%-47.5% of its revenue as franchise fee until July 2023. Effective August 2023, PAGCOR share is calculated at 22.5%-41.25% of GGR. From April 2024 to December 2024, PAGCOR share is calculated at 20%-35% of GGR. Starting January 1, 2025, PAGCOR share is calculated at 15%-30% of GGR.

## Note 8 - License agreement

CEZA is authorized under Section 6f of R.A. No. 7922, “An Act Establishing a Special Economic Zone and Free Port in the Municipality of Santa Ana and the Neighboring Islands in the Municipality of Aparri, Province of Cagayan, Providing Funds Therefore, and for Other Purposes”, to operate on its own, either directly or through a subsidiary entity, or license to others, tourism-related activities, including games, amusements, recreational and sport facilities, such as horse racing, gambling casinos, golf courses, and others, under priorities and standards set by CEZA in CSEZFP.

On February 2, 2001, FCLRC and CEZA entered into a license agreement authorizing FCLRC to set up a network operation/hub with its internet server including web sites, gaming software, application programs, administrative software, hardware, internet, as well as telecommunication connections, collection and payment system and toll-free telephone operations, all in connection with the development, operation and conduct of internet and gaming enterprises and facilities in CSEZFP. In line with this mandate, FCLRC was also authorized and licensed to conduct interactive games as defined in the license agreement.

Subsequent to the signing of the license agreement, FCLRC and CEZA signed a supplemental agreement which provides for the following:

1. Appointment of FCLRC as Master Licensor for internet gaming activities and shall be responsible for monitoring all activities pertaining to the licensing and operation of interactive games in CSEZFP;

2. FCLRC is authorized to assist CEZA in its functions as a regulator for interactive gaming activities on behalf of CEZA in accordance with Part 5 of CSEZFP Interactive Gaming Rules and Regulations;

3. The authorization of FCLRC as Master Licensor shall be exclusive for twenty-five years starting from November 7, 2006 or until 2031;

4. FCLRC is authorized to collect a sub-license fee of two percent of the gross winnings from the locators, in accordance with an agreed formula. Also, FCLRC is authorized to collect from sub-licenses an annual fixed amount for the first year of operations and thereafter, from sportsbook operators. The amount collected from sublicences is recognized by FCLRC as unearned fees and recognize the revenue over time upon provision of the access to the hosting platform; and

5. FCLRC must pay CEZA, on a monthly basis to commence upon the start of actual operations of FCLRC, an amount equivalent to one percent (1%) of the monthly gross winnings payable not later than the seventh (7th) day of the subsequent month. Starting on the sixth (6th) year after the start of FCLRC's operation, FCLRC shall pay a minimum guaranteed amount of $250.

FCLRC is entitled to tax incentives under Section 4c of RA No. 7922 (CEZA law). No taxes, local, and national, shall be imposed on business establishments operating within the CSEZFP. In lieu of paying taxes, FCLRC shall pay and remit to the national government and local government units five percent (5%) of locators' gross income less allowable deductions.

FCLRC proposed a Master Development Plan in keeping its authority under the license agreement. The Master Development Plan proposed by FCLRC will accordingly create a self-sustaining industrial zone and mixed-use new township in the CSEZFP with tourism and leisure as the lead sector to be developed. The Master Development Plan envisaged by FCLRC shall comprise of the three (3) phases with time frame of completion as follows:

- Phase I supposedly completed in 2009 after authorization of the CEZA BOD which includes telecommunication connectivity via microwave radio; upgrading of the existing internet data center; conversion of the CEZA Complex into a gaming facility; upgrading of the San Vicente Naval Airport; and Construction of a new CEZA Administration Office. Phase 1 was completed in January 2011.

  In August 2007, FCLRC and CEZA entered into an agreement with A.G. Pazon & Associates and CAMJ Construction Corporation, both third parties, to start the development of the Cagayan Business Park (CBP), part of Phase I of the Master Development Plan. The proposed CBP has a total lot area development of 90,005 square meters. The site development plan includes the construction of buildings with a total floor area of 2,400 square meters. The project also includes the construction of an administration building, commercial center, cable center, sub-station and parking spaces. It also includes the installation of an underground power/communication cabling system and an overhead water tank. The development of the CBP was completed in January 2011.

  Another infrastructure required in Phase I of the Master Development Plan is the rehabilitation of the San Vicente Naval Airport (the Airport). On September 1, 2006, FCLRC entered into a contract for the airstrip rehabilitation with the same contractors for the CBP to undertake the expansion, paving and overlaying of the runway of the airport and the provision of basic airport amenities. The rehabilitation of the San Vicente Naval Airport was completed on December 8, 2006.

  As an initial project to establish the internet and telecommunication infrastructure, FCLRC entered into an Agreement with IPCDCC on March 1, 2007, incorporating FCCDCI. The parties shall infuse the necessary capital to fund the required infrastructure requirements of the Master Development Plan.

- Phase II shall be completed after three (3) years of completion of Phase I and shall include the telecommunication connectivity via fiber optic; redundant telecommunication connectivity; and construction of a leisure and resort complex.

- Phase III shall be completed three (3) years after completion of Phase II and shall include the implementation of the Comprehensive Feasibility Study that will provide a complete telecommunication infrastructure for the whole of the CSEZFP; and development of a beach front property into a leisure and gaming facility.

On September 15, 2006, the parties have extended the term of the license agreement from two (2) years to twenty-five (25) years from the date of approval by the CEZA BOD of the Master Development Plan. The 25 years extension of the authority of FCLRC as Master Licensor commenced on November 7, 2006, and will end on November 7, 2031.

On November 24, 2017, FCLRC and CEZA signed a supplemental agreement which provides for the following:

- CEZA retains the 25-year appointment of FCLRC as a non-exclusive Licensor for interactive gaming;
- CEZA shall also grant appointment of FCLRC for land-based gaming after it has complied with all requirements;
- To protect FCLRC's interest and investment as the pioneer Licensor, CEZA effectively restricted itself from directly issuing Gaming Licenses to FCLRC's current and previous licensees; and
- All applicants for gaming licenses from CEZA shall post the amount of USD100 million as an investment commitment. In consideration of the significant actual and future investments attributable to FCLRC, CEZA shall credit such investments towards the investment commitment compliance of applications for gaming licenses coursed through FCLRC.

## Note 9 - Costs and operating expenses

Cost and operating expenses for the three months ended March 31 consist of:

| | 2025 | 2024 |
|---|---|---|
| Franchise fees and taxes | 8,771,839 | 6,878,540 |
| Advertising and promotion | 4,830,895 | 2,289,886 |
| Outside services | 2,717,951 | 1,509,417 |
| Salaries and other benefits | 1,187,617 | 384,514 |
| Subscription and association fees | 557,220 | 75,203 |
| Depreciation and amortization | 326,817 | 80,550 |
| Communications and utilities | 94,126 | 85,326 |
| Taxes and licenses | 47,344 | 28,187 |
| Others | 266,383 | 275,695 |
| | 18,800,192 | 11,607,318 |

## Note 10 - Related party disclosures

The Company, in the normal course of business, has transactions with related parties which consist mainly of noninterest-bearing cash advances which are due and demandable anytime and are to be settled in cash.

Composition of amounts due from related parties follows:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Cyberpoint Holdings and Management Corporation (CHMC) | 156,823 | 156,823 |
| Others | 2,048 | (488) |
| | 158,871 | 156,335 |

There are no collaterals held or guarantees issued with respect to related party transactions and balances.

**Note 11 - Segment information**

For purposes of management reporting, the Group is organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit. Such business segments are the bases upon which the Group reports its primary segment information.

The Group operates in four (4) reportable business segments namely: the network and license group, casino group, retail group and investment group, and only one (1) reportable geographical segment which is the Philippines. The description of the reportable segments are as follows:

Retail

The retail segment consists largely of venues providing amusements and recreation to the public in such forms as, but not limited to, bingo games, electronic games, specialty games and poker.

Casino

The casino group is involved in arcade leasing.

Network and license

The network and license segment's primary activity are licensing of operators engaged in interactive gaming, as well as the establishment and setup of all the gaming infrastructures required in connection with the development, operation and conduct of internet server, telecommunication network, gaming enterprises, and other systems facilities.

Property and investments

The property segment is engaged in leasing of parcels of land and building space to third parties and other investment activities.

Analysis of financial information by business segment as at and for the three months ended March 31, 2025 is as follows:

| | Retail Group | Casino Group | Network and License Group | Property and Other Investments | Corporate | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | 22,813,753 | 139,630 | 96,495 | 12,942 | - | - | 23,062,820 |
| Cost and operating expenses | (17,902,810) | (100,421) | (71,704) | (21,628) | (376,812) | - | (18,473,375) |
| EBITDA | 4,910,943 | 39,209 | 24,791 | (8,686) | (376,812) | - | 4,589,445 |
| Depreciation and amortization | (234,015) | (49,671) | (27,833) | (13,898) | (1,400) | - | (326,817) |
| Finance expense | (31,906) | (7) | (58) | (5,376) | (57) | - | (37,404) |
| Equity in net losses of a joint venture | - | - | - | - | (17,240) | - | (17,240) |
| Finance income | 53,690 | 30 | 30 | 10,106 | 2,398 | - | 66,254 |
| Foreign exchange gain (loss), net | (68,659) | - | 25 | 419 | (247) | - | (68,462) |
| Other (expenses) income, net | (456) | 84 | (25) | (157) | - | - | (554) |
| Income tax | - | (883) | - | (826) | - | - | (1,709) |
| Profit (loss) for the period | 4,629,597 | (11,238) | (3,070) | (18,418) | (393,358) | - | 4,203,513 |
| **Other information as at March 31, 2025** | | | | | | | |
| Total assets | 12,198,376 | 323,277 | 2,608,932 | 7,625,356 | 28,955,863 | (3,947,548) | 47,764,256 |
| Total liabilities | 8,367,560 | 850,987 | 1,309,237 | 2,973,740 | 255,586 | 1,960,762 | 15,717,872 |
| Capital expenditures | 256,406 | 3,034 | 38,474 | 14,625 | 559 | - | 313,098 |

Analysis of financial information by business segment as at December 31, 2024 and for the three months ended March 31, 2024 is as follows:

| | Retail Group | Casino Group | Network and License Group | Property and Other Investments | Corporate | Eliminations | Consolidated |
|---|---|---|---|---|---|---|---|
| Revenue | 13,257,341 | 132,963 | 105,957 | 136,700 | - | - | 13,632,961 |
| Cost and operating expenses | (11,143,934) | (92,249) | (91,621) | (68,889) | (130,074) | - | (11,526,768) |
| EBITDA | 2,113,407 | 40,714 | 14,336 | 67,811 | (130,074) | - | 2,106,193 |
| Depreciation and amortization | (24,429) | (49,232) | (5,645) | (596) | (648) | - | (80,550) |
| Finance expense | (29,150) | - | - | 15,004 | - | - | (14,146) |
| Equity in net losses of a joint venture | - | - | - | - | (16,623) | - | (16,623) |
| Finance income | 10,810 | 30 | 8 | 5,165 | 10 | - | 16,023 |
| Foreign exchange gain (loss), net | (5,767) | 2,051 | (36) | (660) | - | - | (4,412) |
| Other expenses, net | (10,695) | 3,570 | (62) | 940 | (423) | - | (6,670) |
| Income tax | - | - | (1,235) | - | - | - | (1,235) |
| Profit (loss) for the period | 2,054,176 | (2,867) | 7,366 | 87,664 | (147,759) | - | 1,998,580 |
| | | | | | | | |
| **Other information as at December 31, 2024** | | | | | | | |
| Total assets | 8,539,784 | 327,129 | 2,615,272 | 7,596,182 | 29,106,058 | (4,039,538) | 44,144,887 |
| Total liabilities | 9,095,752 | 843,598 | 1,312,508 | 2,973,869 | 195,593 | (1,556,179) | 12,865,141 |
| Capital expenditures | 2,573,661 | 305,059 | 1,079,804 | 1,438 | 52,739 | - | 4,012,701 |

There were no intersegment sales recognized among reportable segments for the three months ended March 31, 2025 and 2024. Unallocated corporate expenses consist of net operating expenses of the Parent Company. Assets of the individual segments mainly comprise investments and advances, due from related parties, property and equipment, and trade receivables. Liabilities of the individual segments include loans payable, trade and other payables, retirement benefits liability, and due to related parties. Capital expenditures on noncurrent assets represent additions to property and equipment and investment properties. Noncash expenses pertain to depreciation and amortization expense attributable to reportable segments.

EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and non-recurring expenses such as impairment loss. The Group evaluates performance based on contributions to EBITDA, which is not a measure of operating performance or liquidity defined by PFRSs and may not be comparable to similarly titled measures presented by other entities.

## Note 12 - Contingencies

The Group currently has several tax assessments and legal cases. The Group’s estimate of the probable costs for the resolution of these assessments has been developed in consultation with management as well as outside legal counsel handling these matters and is based on an analysis of potential results. The Group currently does not believe that these tax assessments and legal cases will have a material adverse effect on its consolidated statement of financial position and consolidated statement of financial performance. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.

## Note 13 - Financial risk and capital management objectives and policies

### 13.1 Financial risk management objectives and policies

The Group has exposure to the following risks from its use of financial instruments:

- *Credit risk*
- *Liquidity risk*
- *Market risk*

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risks, and the Group’s management of capital

The main purpose of the Group’s dealings in financial instruments is to fund their respective operations and capital expenditures. The Group is not actively engaged in the trading of financial assets for speculative purposes nor does it write options.

The BOD of the Group has overall responsibility for the establishment and oversight of the Group’s risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Group’s risk management policies. The Executive Committee identifies all issues affecting the operations of the Group and reports regularly to the BOD on its activities.
The BOD has a Risk Oversight Committee which is responsible for overseeing and managing the risks that the Group may encounter. The BOD develops proper strategies and measures to avoid or at least minimize such risk incorporating the Group’s established risk management policies.

The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group’s operations and forecasted results.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The BOD constituted the Group's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the Group's financial statements and financial reporting process and the Group's systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the Group's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance by the Group with legal and regulatory requirements, including the Group's disclosure control and procedures; e) evaluation of management's process to assess and manage the Group's enterprise risk issues; and f) fulfillment of the other responsibilities set out by the BOD. The Audit Committee shall also review the reports required to be included in the Group's annual report. The results of procedures performed by Internal Audit are reported to the Audit Committee. On the other hand, the Audit Committee reports all the issues identified over the financial reporting of the Group to the BOD on a regular basis.

### 13.2 Credit risk

Credit risk represents the risk of loss the Group would incur if customers and counterparties fail to perform their contractual obligations. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk. Further, the Group has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Financial information on the Group's maximum exposure to credit risk as at March 31, 2025 and December 31, 2024, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

| | March 31, 2025 | December 31, 2024 |
|---|---|---|
| Cash and cash equivalents | 18,056,968 | 13,849,012 |
| Receivables, current portion, net | 3,682,377 | 4,589,278 |
| Receivables, non-current portion, net | 372,885 | 368,044 |
| Advances | 1,297,410 | 1,219,730 |
| Lease receivables | 177,069 | 177,069 |
| Rental deposits | 525,884 | 522,376 |
| Cash performance bonds | 498,015 | 487,915 |
| Performance cash deposits | 33,200 | 33,200 |
| Due from related parties | 158,871 | 156,335 |
| | 24,802,679 | 21,402,959 |
| FVOCI | 55,768 | 62,329 |
| | 24,858,447 | 21,465,288 |

Cash and cash equivalents exclude cash on hand and pay out fund amounting to P102,466 and P128,422 as at March 31, 2025 and December 31, 2024, respectively.

*Cash and cash equivalents*

The management evaluates the financial condition of the banking industry and bank deposits/investments are maintained with reputable banks only.

*Receivables and advances*

Majority of the Group's credit risk on receivables is attributed to its internet gaming licensing activities influenced mainly by the individual characteristics of each customer and non-interest-bearing advances made to entities with similar operations. The demographics of the Group's customer base, including the default risk of the industry and regions in which customers operate, has an influence on credit risk.

The BOD has established a credit policy under which each new advanced amount requested by customer/counterparties within the same gaming industry is analyzed individually for creditworthiness before standard credit terms and conditions are granted. The Group's review includes the requirements of updated credit application documents, credit verifications through the use of no negative record requests and list of blacklisted accounts, and analyses of financial performance to ensure credit capacity. The status of each account is first checked before advances are approved.

Most of the Group's customers have been transacting with the Group for several years, and losses have occurred from time to time. Results of credit reviews are grouped and summarized according to credit characteristics, such as aging profiles and credit violations.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

As at March 31, 2025 and December 31, 2024, provision for ECL on receivables and advances amounted to P942,505.

As at reporting date, there were no significant concentrations of credit risk.

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of receivables not past due or past due by up to 60 days.

*Rental deposits*

The management prefers well known business establishments in the selection of location for bingo operations to ensure profitable operations and recovery of the rental and other deposits upon termination of the lease agreements.

*Cash performance bonds/performance cash deposits and betting credit funds*

The Group's exposure to credit risk is negligible as PAGCOR has sufficient funds to settle these upon the expiration of the respective license agreements.

*Financial assets at FVOCI*

The Group's exposure to credit risk is negligible as this pertains to the Group's investment in DFNN's shares that are listed on the PSE.

*Due from related parties*

The Group limits its exposure to credit risk by only financing the operations of related parties that have viable operations and likewise engaged in gaming amusement activities.  The most significant amount of due from related parties of the Group are the advances to BLRI and HEPI, an associate and a joint venture, respectively, of the Parent Company.

*Aging analysis*

Set out below is the aging of financial assets as at March 31, 2025 and December 31, 2024:

| | March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Current | 30 days | 60 days | 90 days and above | ECL | Total |
| Cash and cash equivalents | 18,056,968 | - | - | - | - | 18,056,968 |
| Receivables, current portion, net | 4,441,331 | - | - | - | (758,954) | 3,682,377 |
| Receivables, non-current portion, net | 372,885 | - | - | - | - | 372,885 |
| Advances | 1,480,961 | - | - | - | (183,551) | 1,297,410 |
| Lease receivables | 177,069 | - | - | - | - | 177,069 |
| Rental deposits | 525,884 | - | - | - | - | 525,884 |
| Cash performance bonds | 498,015 | - | - | - | - | 498,015 |
| Performance cash deposits | 33,200 | - | - | - | - | 33,200 |
| Due from related parties | 158,871 | - | - | - | - | 158,871 |
| Financial assets at FVOCI | 55,768 | - | - | - | - | 55,768 |
| | 25,800,952 | - | - | - | (942,505) | 24,858,447 |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Current | 30 days | 60 days | 90 days and above | ECL | Total |
| Cash and cash equivalents | 13,849,012 | - | - | - | - | 13,849,012 |
| Receivables, current portion, net | 5,348,232 | - | - | - | (758,954) | 4,589,278 |
| Receivables, non-current portion, net | 368,044 | - | - | - | - | 368,044 |
| Advances | 1,403,281 | - | - | - | (183,551) | 1,219,730 |
| Lease receivables | 177,069 | - | - | - | - | 177,069 |
| Rental deposits | 522,376 | - | - | - | - | 522,376 |
| Cash performance bonds | 487,915 | - | - | - | - | 487,915 |
| Performance cash deposits | 33,200 | - | - | - | - | 33,200 |
| Due from related parties | 156,335 | - | - | - | - | 156,335 |
| Financial assets at FVOCI | 62,329 | - | - | - | - | 62,329 |
| | 22,407,793 | - | - | - | (942,505) | 21,465,288 |

*Credit risk under general and simplified approach*

| | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | General Approach | | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| Cash and cash equivalents | 18,056,968 | - | - | - | 18,056,968 |
| Receivables, current portion, net | - | - | - | 3,682,377 | 3,682,377 |
| Receivables, non-current portion, net | - | - | - | 372,885 | 372,885 |
| Advances | 1,297,410 | - | - | - | 1,297,410 |
| Lease receivables | - | - | - | 177,069 | 177,069 |
| Rental deposits | 525,884 | - | - | - | 525,884 |
| Cash performance bonds | 498,015 | - | - | - | 498,015 |
| Performance cash deposits | 33,200 | - | - | - | 33,200 |
| Due from related parties | 158,871 | - | - | - | 158,871 |
| Financial assets at FVOCI | 55,768 | - | - | - | 55,768 |
| | 20,626,116 | - | - | 4,232,331 | 24,858,447 |

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | General Approach | | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
| Cash and cash equivalents | 13,849,012 | - | - | - | 13,849,012 |
| Receivables, current portion, net | - | - | - | 4,589,278 | 4,589,278 |
| Receivables, non-current portion, net | - | - | - | 368,044 | 368,044 |
| Advances | 1,219,730 | - | - | - | 1,219,730 |
| Lease receivables | - | - | - | 177,069 | 177,069 |
| Rental deposits | 522,376 | - | - | - | 522,376 |
| Cash performance bonds | 487,915 | - | - | - | 487,915 |
| Performance cash deposits | 33,200 | - | - | - | 33,200 |
| Due from related parties | 156,335 | - | - | - | 156,335 |
| Financial assets at FVOCI | 62,329 | - | - | - | 62,329 |
| | 16,330,897 | - | - | 5,134,391 | 21,465,288 |

*Simplified approach*

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix) as of March 31, 2025 and December 31, 2024:

| | March 31, 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Days past due | | | | | |
| | Current | <30 days | 30-90 days | More than 90 days | Credit impaired | Total |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 100% | |
| Estimated total gross carrying amount at default | 3,631,264 | 13,539 | 104,452 | 483,076 | 758,954 | 4,991,285 |
| Expected credit loss | - | - | - | - | (758,954) | (758,954) |
| | 3,631,264 | 13,539 | 104,452 | 483,076 | - | 4,232,331 |

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Days past due | | | | | |
| | Current | <30 days | 30-90 days | More than 90 days | Credit impaired | Total |
| Expected credit loss rate | 0% | 0% | 0% | 0% | 100% | |
| Estimated total gross carrying amount at default | 2,747,306 | 674,954 | 491,914 | 1,220,217 | 758,954 | 5,893,345 |
| Expected credit loss | - | - | - | - | (758,954) | (758,954) |
| | 2,747,306 | 674,954 | 491,914 | 1,220,217 | - | 5,134,391 |

### 13.3 Liquidity risk

Liquidity risk pertains to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury and cash management functions of the Group are centralized. Management has placed controls and procedures to closely monitor the Group's existing obligations. Additionally, the Group has also been negotiating with lenders to restructure and extend its term loans, renewing and obtaining additional credit lines, negotiating new payment terms with some suppliers and lessors, and implementation of its business continuity plan to ensure that sufficient cash is maintained to cover working capital requirements.

In addition, the Group has an omnibus line of credit with a number of Philippine banks consisting of commitments for short term loans, letters of credit and documents against acceptances/documents against payment (DA/DP) facilities trust receipts. As at March 31, 2025 and December 31, 2024, there are no commitments under the line of credit. As at March 31, 2025 and December 31, 2024, there were no amounts drawn against the line of credit. All facilities under the omnibus line bear interest at floating rates consisting of a margin over current Philippine treasury rates.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements of the Group:

| | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | 6 months or less | 6-12 months | More than 1 year |
| Trade and other payables | 3,213,303 | 3,213,303 | 3,213,303 | - | - |
| Long-term loans payable | 733,781 | 733,781 | 733,781 | - | - |
| Lease liabilities, including future interest payable | 1,779,778 | 1,984,961 | 281,966 | 281,966 | 1,421,029 |
| Deposits | 85,863 | 85,863 | - | 3,485 | 82,378 |
| | 5,812,755 | 6,017,908 | 4,229,050 | 285,451 | 1,503,407 |

| | December 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | 6 months or less | 6-12 months | More than 1 year |
| Trade and other payables | 5,147,797 | 5,147,797 | 5,147,797 | - | - |
| Long-term loans payable | 733,781 | 733,781 | 733,781 | - | - |
| Lease liabilities, including future interest payable | 1,770,849 | 2,125,854 | 281,966 | 281,966 | 1,561,922 |
| Deposits | 85,782 | 85,782 | - | 3,486 | 82,296 |
| | 7,738,209 | 8,093,214 | 6,163,544 | 285,452 | 1,644,218 |

Trade and other payables exclude payable to government agencies and contract liabilities as at March 31, 2025 amounting to P3,707,171 and P709,841, respectively, and as at December 31, 2024 amounting to P2,661,658 and P796,342, respectively.

The Group expects to meet its operating assets and liabilities, capital expenditure and investment requirements for the next 12 months primarily from its operations and through drawdowns from its loan facility.

### 13.4 Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to various market risks, including risks from changes in prices, interest rates, currency exchange rates and equity price risk.

The Group minimizes its exposure to risks in changes in rental rates by entering into contracts with lessors with fixed rent commitment for the contract duration.

*Foreign currency risk*

The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than the Philippine peso, mostly in U.S. dollar ($). In respect of monetary assets and liabilities held in currencies other that the Philippine peso, the Group ensures that its exposure is kept to an acceptable level, by buying foreign currencies at spot rates where necessary to address short-term imbalances.

*Interest rate risk*

The Group's exposure to changes in interest rates relate primarily to the Group's short-term and long-term debt obligations.

Management is tasked to minimize interest rate risk through having a mix of variable and fixed interest rates on its loans. Presently, the Group's short-term and long-term bank loans are market-determined, with the long-term loan interest rates based on PDST-R2 plus a certain mark-up. The Group has not entered into interest rate swaps and options in 2025 and 2024.

There is no other impact on the Group's equity other than those affecting the profit or loss.

*Equity price risk*

Equity price risk is such risk where the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks.

The management strictly monitors the movement of the share prices pertaining to its investments. The Group is exposed to equity securities price risk because of investments held by the Group, which are classified in the consolidated financial position as financial asset at FVOCI.

*Fair values*

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

*Cash/Receivables/Due from Related Parties/Rental Deposits/Cash Performance Bonds/Performance Cash Deposits and Betting Credit Funds/Trade and Other Payables/Due to a Related Party/Deposits/Short-term Loans Payable*

The carrying amounts of cash, receivables, due from related parties, trade and other payables, due to a related party and short-term loans payable approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of rental deposits, cash performance bonds, performance cash deposits and betting credit funds and deposits approximate their fair values as management believes that the effect of discounting cash flows from these instruments is not significant.

*Non-current receivable*

The fair value is based on the discounted value of future cash flows using the applicable risk-free rates. The fair value is under Level 3 of the fair value hierarchy.

*Long-term loans payable*

Long-term loans are reported at their present values, which approximate the cash amounts that would fully satisfy the obligations as at reporting date. The carrying amount approximates fair value since the interest rates are repriced frequently. These are classified as current liabilities when they become payable within a year.

*Financial assets at FVOCI*

The fair value of the FVOCI is based on the quoted market price of the investment in equity as at March 31, 2025 and December 31, 2024. The fair value is under Level 1 of the fair value hierarchy.

As of March 31, 2025 and December 31, 2024, there were no transfers between levels of the fair value hierarchy.

### 13.5 Capital management

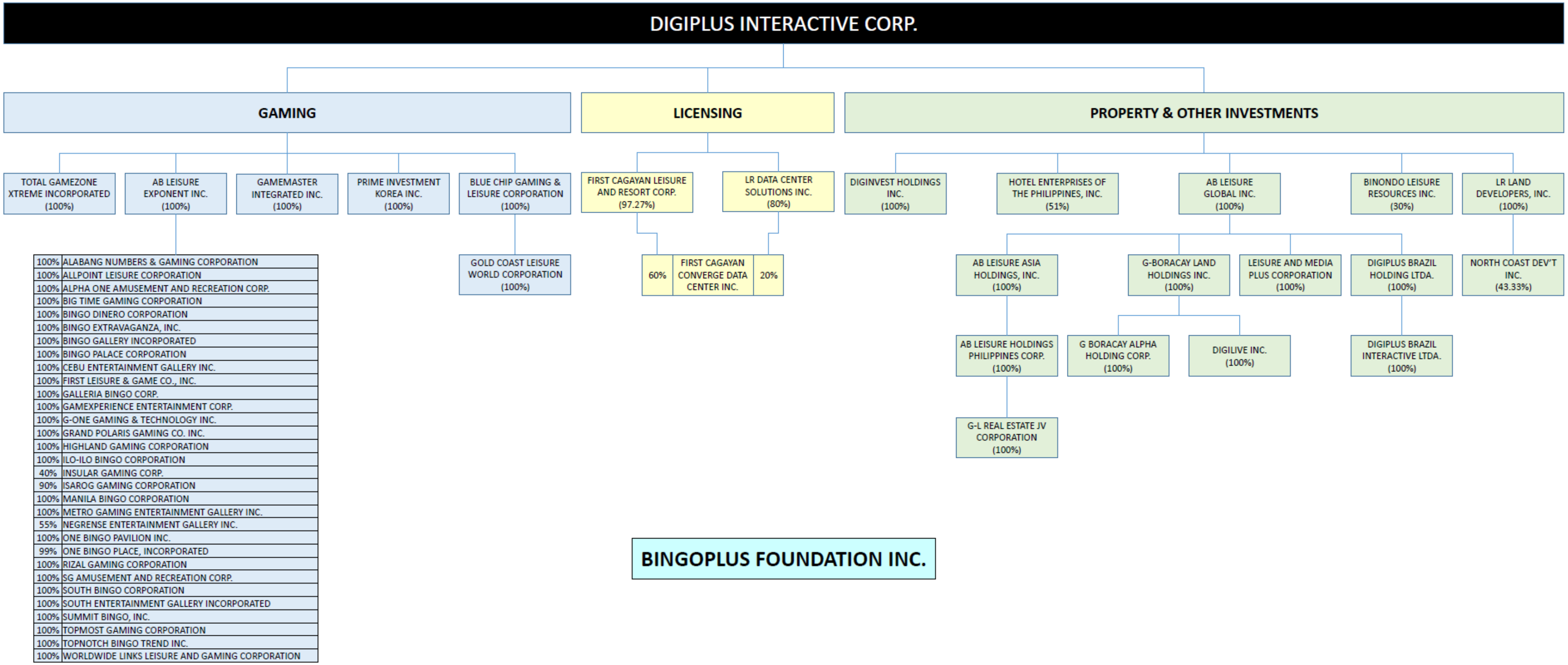
The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD monitors the return on capital, which the Group defines as income before income tax divided by total average shareholders' equity.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group defines capital as equity, which includes capital stock, additional paid-in capital and retained earnings. There were no changes in the Group's approach to capital management as at March 31, 2025 and December 31, 2024.

# DigiPlus Interactive Corp. and Subsidiaries

## Map of Conglomerate
## As of March 31, 2025



**DigiPlus Interactive Corp. and Subsidiaries**

**Schedule of Financial Soundness Indicators**
(As at March 31, 2025 and December 31, 2024 and
for the three months ended March 31, 2025 and 2024)

(All amounts in Philippine Peso)

| Key Performance Indicator | Formula | 2025 | 2024 |
|---|---|---|---|
| Current Ratio | Current Assets / Current Liabilities | **1.88** | 2.07 |
| Acid Test Ratio | Cash and cash equivalents + Receivables, net + Due from related parties / Current Liabilities | **1.75** | 1.91 |
| Debt to Equity Ratio | Total Liabilities / Stockholders' Equity | **0.49** | 0.41 |
| Asset to Equity Ratio | Total Assets / Stockholders' Equity | **1.49** | 1.41 |
| Return on Average Equity | Net Income / Average Stockholders' Equity | **13.28%** | 10.24% |
| Return on Average Assets | Net Income / Average Total Assets | **9.15%** | 6.50% |
| Solvency Ratio | Net Income + Depreciation / Average Total Liabilities | **0.32** | 0.19 |
| Interest Coverage Ratio | Income Before Interest, Tax & Depreciation / Interest Expense | **157.58** | 148.89 |
| Net Book Value Per Share | Stockholders' Equity / Shares Outstanding | **7.19** | 4.52 |
| Basic Earnings Per Share | Income Attributable to Ordinary Stockholders of the Parent Company / Weighted Average Shares Outstanding | **0.9526** | 0.4527 |
| Net Profit Margin | Net income / Revenue | **18.23%** | 14.66% |

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