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SEC Registration No: 0000013174
Company Name: LEISURE & RESORTS WORLD CORP.
Document Code: AFS

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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)

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SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

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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.

EUSEBIO H. TANCO
Chairman of the Board

TSUI KIN MING
President

WILFREDO M. PIELAGO
Treasurer and Chief Financial Officer

Signed this April 4, 2025

SUBSCRIBED AND SWORN to before me this APR 04 2025 at TAGUIG CITY. Affiant exhibiting to me his/her P0992946B / KS 06 224657 with No. P2919820C 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

Doc. No. 404
Page No. 83
Book No. II
Series of 2025

Outlook

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Submission Date/Time: **Apr 05, 2025 12:00 AM**
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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 .

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

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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

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

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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
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 4, 2025

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 joint 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 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.

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.

Investment in Associates

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)	(108,908)
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.

<u>Financial assets at FVOCI</u>

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

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 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. 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. 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. 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. 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. 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 affected.

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 related parties	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.

Statement of compliance

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**