



SECURITIES AND EXCHANGE COMMISSION

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**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, 2025 and 2024, 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, 2025 and 2024, respectively, have audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in their reports to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

SUBSCRIBED AND SWORN
to before me this MAR 31 2026
Affiant exhibited to me his/her _____


EUSEBIO M. TANCO
Chairman of the Board



HU JIANGUO
Chief Executive Officer


WILFREDO M. PIELAGO
Treasurer and Chief Financial Officer

Signed this _____

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PAGE No. 2
BOOK No. 16
SERIES OF 202




ATTY. BRYAN G. PEKAS
NOTARY PUBLIC FOR QUEZON CITY
ADM. MATR. NO. _____ VALID UNTIL DEC. 31, 2026
ROLL OF ATTORNEY NO. 62-93/TIN 299-457-753
(BP NO. 576803 DECEMBER 30, 2025, QUEZON CITY
MCLE NO. VIII 005338, WALSP. DIR. 14/APR/2028
PTR NO. 104-85504, JANUARY 9, 2026, MARIKINA CITY
603 EDSA DISTRICT OFFICE, QUEZON, Q.C.



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COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

D	I	G	I	P	L	U	S	I	N	T	E	R	A	C	T	I	V	E	C	O	R	P	.				

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

E	C	O	P	R	I	M	E	B	U	I	L	D	I	N	G	,	3	2	N	D	S	T	R	E	E	T	
C	O	R	N	E	R	N	I	N	T	H	A	V	E	N	U	E	,	B	O	N	I	F	A	C	I	O	
G	L	O	B	A	L	C	I	T	Y	,	T	A	G	U	I	G	C	I	T	Y							

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
inquiry@digiplus.com.ph	+632 8637-5291 to 93	N/A
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,799	July 25	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
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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.



Isla Lipana & Co.

DigiPlus Interactive Corp.

Separate Financial Statements

As at and for the years ended December 31, 2025 and 2024





Independent Auditor's Report

To the Board of Directors and Shareholder 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 financial statements present fairly, in all material respects, the financial position of DigiPlus Interactive Corp. (the "Company") as at December 31, 2025 and 2024, 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 Company's separate financial statements comprise:

- the separate statements of financial position as at December 31, 2025 and 2024;
- the separate statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the separate statements of changes in equity for the years ended December 31, 2025 and 2024;
- the separate statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the separate 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 Separate Financial Statements section of our report.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

To the Board of Directors and Shareholder of
DigiPlus Interactive Corp.
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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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

To the Board of Directors and Shareholder of
DigiPlus Interactive Corp.
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- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 19 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue 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 the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate 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 8, 2026 at Makati City

SEC A.N. (Individual) as general auditors 108839 - SEC, Category A;
valid to audit 2021 to 2025 financial statements

SEC A.N. (Firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

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/P-014, effective until November 14, 2028

Makati City
March 31, 2026

DigiPlus Interactive Corp.

Separate Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in thousands of Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash	2	1,427,672	378,330
Dividends and other receivables, net	3	9,290,980	1,555,645
Due from related parties	14	16,172,532	21,687,092
Prepayments and other current assets	4	94,176	80,833
Total current assets		26,985,360	23,701,900
Non-current assets			
Property and equipment, net	5	90,709	116,261
Investments and advances	6	5,704,223	5,756,785
Financial assets at fair value through other comprehensive income (FVOCI)	6	17,496	62,330
Other non-current assets	7	52,815	52,814
Total non-current assets		5,865,243	5,988,190
Total assets		32,850,603	29,690,090
Liabilities and Equity			
Current liabilities			
Trade payables and other current liabilities	8	149,137	81,931
Lease liability, current portion	12	30,282	27,038
Due to related parties	14	387,766	584,001
Total current liabilities		567,185	692,970
Non-current liabilities			
Retirement benefit obligation	13	26,183	22,539
Lease liability, non-current portion	12	33,803	64,085
Total non-current liabilities		59,986	86,624
Total liabilities		627,171	779,594
Equity			
Share capital	10	4,908,621	4,785,307
Additional paid-in capital	10	7,465,376	6,221,063
Treasure shares	10	(917,346)	(377,647)
Fair value reserve	6	438,817	483,651
Retirement benefits reserve		(4,520)	(7,852)
Other reserve		594,320	447,693
Retained earnings			
Unappropriated		12,438,164	10,058,281
Appropriated		7,300,000	7,300,000
Total equity		32,223,432	28,910,496
Total liabilities and equity		32,850,603	29,690,090

The notes on pages 1 to 44 are an integral part of these financial statements.

DigiPlus Interactive Corp.

Separate Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in thousands of Philippine Peso)

	Notes	2025	2024
Revenue			
Dividend income	6,14	8,000,000	13,137,000
Costs and expenses	11	(1,756,681)	(1,099,445)
Income from operations		6,243,319	12,037,555
Other expenses, net			
Share in loss of a joint venture	6	(57,963)	(46,374)
Interest income	2	18,272	7,647
Interest expense	12	(4,760)	(4,533)
Others, net		(6,653)	(2,142)
		(51,104)	(45,402)
Income before income tax		6,192,215	11,992,153
Provision for income tax	15	-	-
Income for the year		6,192,215	11,992,153
Other comprehensive loss for the year			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value on financial asset at FVOCI	6	(44,834)	(5,248)
Remeasurement gain (loss) on defined benefit obligation	13	3,332	(6,679)
		(41,502)	(11,927)
Total comprehensive income for the year		6,150,713	11,980,226

The notes on pages 1 to 44 are an integral part of these financial statements.

DigiPlus Interactive Corp.

Separate Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in thousands of Philippine Peso)

	Share Capital (Note 10)	Additional paid-in capital (Note 10)	Treasury shares (Note 10)	Fair value reserve (Note 6)	Retirement Benefits reserve (Note 13)	Retained Earnings		Total	
						Other reserve (Note 10)	Unappropriated Appropriated		
Balances at January 1, 2024	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
Transaction 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
Comprehensive income for the year									
Net Income for the year	-	-	-	-	-	-	6,192,215	-	6,192,215
Other comprehensive loss for the year	-	-	-	(44,834)	3,332	-	-	-	(41,502)
Total comprehensive income for the year	-	-	-	(44,834)	3,332	-	6,192,215	-	6,150,713
Transactions with owners									
Cash dividends	-	-	-	-	-	-	(3,812,332)	-	(3,812,332)
Issuance of common shares	123,314	1,244,313	-	-	-	(612,170)	-	-	755,457
Stock option reserves for the year	-	-	-	-	-	758,797	-	-	758,797
Share repurchase during the year	-	-	(539,699)	-	-	-	-	-	(539,699)
Balances at December 31, 2025	4,908,621	7,465,376	(917,346)	438,817	(4,520)	594,320	12,438,164	7,300,000	32,223,432

The notes on pages 1 to 44 are an integral part of these financial statements.

DigiPlus Interactive Corp.

Separate Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Thousands of Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		6,192,215	11,992,153
Adjustment for:			
Reserve for employee stock options	10	758,797	447,693
Share in net loss of a joint venture	6	57,963	46,374
Depreciation and amortization	5, 11	35,529	24,112
Retirement benefit expense	13	6,976	4,258
Interest expense	9, 12	4,760	4,633
Interest income	2	(18,272)	(7,647)
Operating income before changes in assets and liabilities		7,037,968	12,511,576
Increase in:			
Dividends and other receivables		(8,000,300)	-
Prepayments and other current assets		(13,345)	(35,472)
Increase (decrease) in trade payables and other current liabilities		71,518	(17,052)
Net cash (absorbed by) generated from operations		(904,159)	12,459,052
Income taxes paid		-	(15)
Interest received	2	18,272	7,647
Net cash (used for) provided by operating activities		(885,887)	12,466,684
Cash flows from investing activities			
Dividends received	14	264,966	13,137,000
Increase (decrease) in:			
Expenses paid in behalf of related parties	14	5,514,560	(8,216,147)
Capital infusion to investments in subsidiaries	6	(5,400)	(223,873)
Other noncurrent assets		(1)	(1,588)
Additions to property and equipment	5	(9,977)	(17,783)
Net cash provided by investing activities		5,764,148	4,677,609
Cash flows from financing activities			
Decrease in due to related parties		(196,235)	(16,028,781)
Proceeds from:			
Short-term loan		5,000	5,000
Issuance of capital stock	10	755,457	-
Payments of:			
Dividends	10	(3,816,644)	(786,537)
Share repurchase	10	(539,699)	-
Short-term loan	9	(5,000)	(5,000)
Interest	9	(152)	(100)
Principal portion of lease liability	12	(27,038)	(20,521)
Interest on lease liability	12	(4,608)	(4,533)
Net cash used in financing activities		(3,828,919)	(16,840,472)
Net increase in cash		1,049,342	303,821
Cash at beginning of year		378,330	74,509
Cash at end of year		1,427,672	378,330

The notes on pages 1 to 44 are an integral part of these financial statements.

DigiPlus Interactive Corp.

Notes to the Separate Financial Statements

As at and for the years ended December 31, 2025 and 2024

(In the notes, all amounts are shown in thousands of Philippine Peso unless otherwise stated)

1 General information

1.1 Business information

DigiPlus Interactive Corp. (the “Company” or “DigiPlus”) was registered with the Philippine Securities and Exchange Commission (SEC) on October 10, 1957.

The 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 Company’s primary purpose is to purchase, acquire, own, use, improve, construct, develop, maintain, subdivide, sell, dispose of, exchange, lease and hold for investment, or otherwise deal with real estate and personal property of all kinds, including the management and operation of the activities conducted therein pertaining to general amusement and recreation enterprises, such as, but not limited to resorts, golf courses, clubhouses and sport facilities, hotels and gaming facilities, including but not limited to bingo parlors with all the apparatus, equipment and other appurtenances as may be related thereto or in connection therewith.

The Company’s registered office address is Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City.

The accompanying financial statements as at and for the year ended December 31, 2025, have been approved and authorized for issuance by the Board of Directors (BOD) on March 31, 2026.

2 Cash

Cash as at December 31 consist of:

	2025	2024
Cash in banks	1,427,322	377,980
Cash fund	350	350
	<u>1,427,672</u>	<u>378,330</u>

Cash in banks earn interest at the respective bank deposit rates.

Interest income recognized in profit or loss for the year ended December 31, 2025 amounted to P18,272 (2024 - P7,647).

3 Dividends and other receivables, net

Dividends and other receivables as at December 31 consist of:

	Note	2025	2024
Dividend receivables	14	9,256,284	1,521,250
Advances to:			
Stockholder		31,231	31,231
Third parties		3,009	3,009
Others		15,171	14,870
		9,305,695	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)
		9,290,980	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 Company. These advances are noninterest-bearing, unsecured and collectible on demand.

For the years ended December 31, 2025 and 2024, the Company did not recognize an additional provision for impairment of receivables.

The 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:

	2025	2024
Input value-added tax (VAT)	56,557	38,018
Advances to employees	13,488	3,543
Advances to suppliers	10,023	28,711
Prepaid rent	6,737	1,384
Prepaid insurance	2,201	4,060
Prepaid taxes and licenses	-	1,909
Other prepayments	5,170	3,208
	94,176	80,833

Advances to employees are noninterest-bearing, unsecured and subject to liquidation within 12 months from the date granted or collectible in cash upon demand.

Advances to suppliers are down payments made to vendors that will be applied against future deliveries of goods and performance of services.

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	Construction in progress	Right-of-use assets (Note 12)	Total
As at January 1, 2024							
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
Year ended December 31, 2025							
Opening net book values	1,954	18,562	1,350	-	-	94,395	116,261
Additions	1,195	8,393	255	-	134	-	9,977
Depreciation and amortization	(586)	(5,439)	(459)	-	-	(29,045)	(35,529)
Closing net carrying values	2,563	21,516	1,146	-	134	65,350	90,709
As at December 31, 2025							
Cost	50,817	38,201	42,632	72,442	134	129,025	333,251
Accumulated depreciation and amortization	(48,254)	(16,685)	(41,486)	(72,442)	-	(63,675)	(242,542)
Net carrying values	2,563	21,516	1,146	-	134	65,350	90,709

As at December 31, 2025 and 2024, there are no unpaid property and equipment additions.

6 Investments and advances, net

Investments and advances, net as at December 31 consist of:

	Ref	2025	2024
Investment in subsidiaries, associates and a joint venture, net	a	4,993,072	5,051,034
Advances, net	b	711,151	705,751
		5,704,223	5,756,785

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	2025	Percentage of ownership	2024
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	100%	125,000
LR Land Developers, Inc. (LRLDI)	100%	225,000	100%	225,000
First Cagayan Leisure & Resort Corporation (FCLRC)	97.27%	256,898	97.27%	256,898
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	100%	6,250
Bingo Bonanza (HK) Limited (BBL)	60%	35	60%	35
		3,605,811		3,605,811
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		694,321		740,694
Share in net loss		(57,963)		(46,374)
		1,387,296		1,445,259
Balance at end of year		5,014,307		5,072,269
Allowance for impairment		(21,235)		(21,235)
		4,993,072		5,051,034

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 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 1, 2025, TGXI declared dividends amounting to P8,000,000 (2024 - P13,000,000).

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, manage, 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.

On December 2, 2024, Gamemaster declared cash dividends amounting to P137,000.

LRLDI

On December 10, 2007, the 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 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, 2025.

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 Company owns 80% of the outstanding share capital of LRDCSI. As of December 31, 2025, and 2024, 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 Diginvest 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 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 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 P7,605 as at December 31, 2025 (2024 – P12,272). Unrecognized share in net income amounted to P4,667 and P4,380 in 2025 and 2024, respectively.

As at December 31, 2025 and 2024, investment in BLRI amounting to P21,200 has been fully impaired.

The summarized unaudited financial information of BLRI for the years ended December 31 is as follows:

	2025	2024
Current assets	12,087	3,309
Noncurrent assets	777	777
Current liabilities	(79,223)	(86,002)
Noncurrent liabilities	(5,658)	(5,658)
Total net liabilities	(72,017)	(87,574)
Investment in preferred shares	20,000	20,000
Equity attributable to common shares	92,017	(107,574)
Company's share in net assets	(27,605)	(32,272)
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	7,605	12,272
Carrying amount of interest in an associate	-	-
Revenues	29,976	29,833
Net income for the year	14,956	-
Other comprehensive income for the year	600	-
Total comprehensive income	15,556	14,599
Company's unrecognized share of total comprehensive income	4,667	4,380

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, 2025 and 2024. 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 Company's share in net losses of HEPI. The 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 unaudited summarized financial information of HEPI as at December 31:

Summarized statements of financial position

	2025	2024
Current assets	900,180	921,366
Includes:		
- Cash	16,480	18,778
Noncurrent assets	4,053,733	4,137,895
Current liabilities	(1,510,756)	(1,463,681)
Includes:		
- Financial liabilities	(1,497,031)	(1,446,336)
Noncurrent liabilities	(722,971)	(761,740)
Net assets	2,720,186	2,833,840

Summarized statements of total comprehensive income

	2025	2024
Revenues	377,398	390,334
Costs and expenses	(426,640)	(420,295)
Depreciation and amortization	(109,896)	(112,863)
Other income, net	4,099	4,383
Income tax benefit	41,387	47,512
Loss for the year	(113,652)	(90,930)
Total comprehensive income for the year	(113,652)	(90,930)

Reconciliation of summarized financial information

	2025	2024
Net assets		
At January 1	2,833,838	2,924,770
Loss for the year	(113,652)	(90,930)
At December 31	2,720,186	2,833,840
At January 1	1,445,258	1,491,633
Share in net loss for the year	(57,963)	(46,374)
Investment in joint venture	1,387,295	1,445,259

There were no dividends received for the years ended December 31, 2025 and 2024.

b. Advances, net

Advances as at December 31 consist of:

	2025	2024
Advances to HEPI	709,051	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
	711,151	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 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 Company made several cash advances to third party for future projects The advances are unsecured, noninterest-bearing and expected to be applied once projects commence.

The advances for projects was provided with an allowance for ECL amounting to P115,000 as at December 31, 2025 and 2024.

Financial assets at FVOCI

In 2014, the Company acquired 1,093,000 shares of DFNN at a cost of P7,437.

On August 13, 2015, the 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 for trading, the total converted amount of P17,496 as at December 31, 2025 (2024 – P62,330) 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:

	2025	2024
Balance at beginning of year	62,330	67,578
Unrealized loss during the year	(44,834)	(5,248)
Balance at end of year	17,496	62,330

The market prices of DFNN common shares as at December 31, 2025 is P0.80 (2024 - P2.85).

7 Other non-current assets

Other non-current assets as at December 31 consist of:

	Note	2025	2024
Input VAT		26,836	26,836
Rent deposits	12	14,126	14,125
Premium on group pension plan		6,619	6,619
Creditable withholding tax (CWT), net		121	121
Others		5,113	5,113
		52,815	52,814

Others mainly pertain to cash bonds issued by the Company.

8 Trade payables and other current liabilities

Trade payables and other current liabilities as at December 31 are as follows:

	2025	2024
Payable to:		
Suppliers	120,113	60,169
Government agencies	12,570	9,908
Accrued salaries, wages and employee benefits	16,454	11,854
	149,137	81,931

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 Company entered into a 179-day short-term loan agreement with Sterling Bank of Asia (SBA) amounting to P5,000 with annual interest rate of 8.00% maturing on December 20, 2024. In September 2024, the Company fully settled the loan.

On June 23, 2025, the Company entered into a 179-day short-term loan agreement with SBA amounting to P5,000 with annual interest rate of 9.00% maturing on December 19, 2025. The loan was settled on October 1, 2025.

Interest expense recognized in the Company statements of total comprehensive income for the year ended December 31, 2025 amounted to P152 (2024 - P100).

10 Equity

The composition of the Company's share capital as at December 31 is as follows:

	2025		2024	
	Amount	Number of shares	Amount	Number of shares
Capital Stock				
Authorized:				
Common shares - P1 par value	7,000,000	7,000,000,000	7,000,000	7,000,000,000
Balance at beginning of year	4,785,307	4,785,306,666	4,785,307	4,785,306,666
Issued during the year	123,314	123,314,000	-	-
Balance at end of year	4,908,621	4,908,620,666	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 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 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 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 Company with its investors. Transaction costs related to the share issuance amounting to P16,604 are recognized as a deduction from additional paid-in capital.

On January 31, 2020, the 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 Company statements of changes in equity.

On June 15, 2021 and July 30, 2021, the BOD and stockholders of the 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 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 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, 2024, 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.

In 2025, a total of 123,314,000 shares were issued in favor of the ESOP grantees who exercised and fully paid for their options, resulting in the derecognition of stock option reserve amounting to P612,170, which was transferred to capital stock and additional paid-in capital.

As of December 31, 2025, and 2024, the Company has 1,799 and 1,803 common stockholders, respectively.

Warrants

On June 10, 2013, the BOD of the 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 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

The Parent Company's BOD authorized and approved the declaration and payment of cash dividends to stockholders from retained earnings during the year ended December 31 as follows:

Declaration date	Payment date	As of record date	Dividend per share	Total dividends
March 7, 2025	April 4, 2025	March 24, 2025	P0.86	3,812,332
March 19, 2024	April 18, 2024	April 4, 2024	P0.18	793,379

Details of unpaid dividends included under Trade and other payables in the Parent Company statements of financial position as at December 31 are as follows:

	2025	2024
Beginning balance	6,842	-
Dividends declared	3,812,332	793,379
Dividends paid	(3,816,644)	(786,537)
Ending balance	2,530	6,842

Subsequent event

On March 17, 2026, the Company's BOD approved the declaration of cash dividends to all stockholders amounting to P0.83 per outstanding common share. The cash dividends will be payable on April 15, 2026, to stockholders of record as of April 1, 2026

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.

Treasury Shares

Details of treasury shares are as follows:

	2025		2024	
	Amount	Number of shares	Amount	Number of shares
Capital Stock				
Authorized:				
Common shares - P1 par value	7,000,000	7,000,000,000	7,000,000	7,000,000,000
Balance at beginning of year	377,647	377,646,488	377,647	377,646,488
Share repurchase during the year	539,699	21,000,000	-	-
Balance at end of year	917,346	398,646,488	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 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 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:

	2025	2024
At January 1	154,259,133	78,569,564
Granted during the year	-	75,689,569
Exercised during the year	(70,681,610)	-
At December 31	83,577,523	154,259,133
Vested and exercisable at December 31	6,151,859	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, 2025	December 31, 2024
Batch 1			
Tranche 1 - April 1, 2023	January 1, 2029	-	25,927,956
Tranche 2 - April 1, 2023	January 1, 2030	83,160	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	6,068,699	24,977,557
Tranche 2 - November 12, 2024	January 1, 2031	24,977,558	24,977,558
Tranche 3 - November 12, 2024	January 1, 2032	25,734,454	25,734,454
Total		83,577,523	154,259,133
Weighted average remaining contractual life of options outstanding at end of period		4.51	4.51

No options were granted during the year ended December 31, 2025 (2024 - The assessed fair value at grant date of options granted during the year ended December 31, 2024 was P12.70 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, 2025 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,
- (c) expiry date: January 1, 2030 to 2032,
- (d) strike price: P12.94
- (e) share price at grant date: P19.90,
- (f) expected dividend yield: 0.15%

The compensation expense recognized during the year ended December 31, 2025 amounted to P758,797 (2024 - P447,693) which is presented under cost and operating expenses in the Company statements of total comprehensive income.

As at December 31, 2025, the stock option reserve arising from the Plan amounted to P594,320 (2024 - P447,693).

Subsequent events

From January to March 31, 2026, a total of 61,021,968 shares were issued in favor of the ESOP grantees who exercised and fully paid for their options.

On January 27, 2026, the SEC approved the Company's application for exemption from registration of its Employee Stock Option Plan ("ESOP B"). ESOP B covers 220,382,958 common shares in favor of the Company's qualified officers and employees in accordance with the terms of the Company's ESOP Plan. On March 16, 2026, PSE approved the Company's application to list these shares to cover its ESOP.

11 Costs and operating expenses

Costs and operating expenses for the years ended December 31 consist of:

	Notes	2025	2024
Salaries, wages and other benefits		1,248,002	766,382
Contracted services		138,130	53,285
Professional fees and directors' fees		115,434	57,730
Donations		47,865	69,623
Depreciation and amortization	5	35,529	24,112
Transportation and travel		34,135	20,258
Subscriptions and membership fees		27,048	8,429
Advertising and marketing		26,555	8,433
Listing and filing fees		10,297	7,606
Rent	12	7,426	6,421
Printing and office supplies		3,130	3,376
Communication and utilities		2,943	2,912
Repairs and maintenance		2,167	979
Insurance		2,150	1,721
Representation and entertainment		959	4,898
Taxes and licenses		453	5,933
Others		54,458	57,347
		1,756,681	1,099,445

12 Lease agreements

Company as a lessee

In 2023, The 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 Company as at December 31, 2025 amounted to P14,126 (2024 - P14,125) (Note 7).

The Company's right-of-use assets are presented under property and equipment (Note 5).

The following are recognized in the Company statement of total comprehensive income for the years ended December 31:

	Notes	2025	2024
Amortization expense of right-of-use assets	5	29,045	20,519
Expenses relating to short-term leases	11	7,426	6,421
Interest expense on lease liability		4,608	4,533
		41,079	31,473

The movements of lease liabilities for the years ended December 31 are as follows:

	2025	2024
Balance at beginning of year	91,123	76,688
Additions	-	34,956
Interest expense	4,608	4,533
Principal payment	(27,038)	(20,521)
Payments of interest	(4,608)	(4,533)
Balance at end of year	64,085	91,123
Current portion of lease liability	(30,282)	(27,038)
Lease liability, net of current portion	33,803	64,085

The Company has no lease contracts that contain variable payments.

Maturity analysis of the undiscounted lease payments are as follows:

	2025	2024
Less than 1 year	33,228	31,646
More than 1 year to 2 years	34,889	33,228
More than 2 years to 3 years	-	34,889
	68,117	99,763

13 Retirement benefit obligation

The 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 report is dated December 31, 2025. The actuarial valuations are obtained on a periodic basis. The retirement benefits are determined using the projected unit credit method.

The total retirement expense charged to profit or loss for the years ended December 31 are as follows:

	2025	2024
Current service cost	5,578	3,539
Interest cost	1,398	719
Retirement benefit expense	6,976	4,258

The movements in the present value of defined benefit obligation during the years ended December 31 are as follows:

	2025	2024
Balance at the beginning of the year	22,539	11,602
Current service cost	5,578	3,539
Interest cost	1,398	719
Remeasurement (gain) loss	(3,332)	6,679
At end of the year	26,183	22,539

The principal assumptions used in determining defined benefit obligations for the Company's plans for the years ended December 31 are shown below:

	2025	2024
Discount rate	6.40%	6.20%
Future salary increases	3.00% to 8.00%	7.00%

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, 2025 is 5.3 years (2024 - 5.4 years).

The defined benefit obligation is exposed to actuarial risks such as longevity risk and interest rate risk.

Funding

The 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 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 Company's significant transactions and balances with related parties are as follows:

	Terms and conditions	Transactions		Balances Due from (due to)	
		2025	2024	2025	2024
a) Advances to Subsidiaries	These pertain to expenses of the subsidiaries that are paid in their behalf by the Company.	(5,420,493)	8,210,068	16,084,669	21,505,162
Entities under common control	Such expenses are accordingly reimbursed at cost to its related party.	81,743	6,079	87,863	6,120
	Amounts are payable in cash on a gross basis. These are due and demandable; noninterest bearing; and unsecured.				
		(5,338,750)	8,216,147	16,172,532	21,511,282
b) Management income Subsidiaries	The 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 all related balances were fully settled as at December 31, 2025.	(175,810)	-	-	175,810
c) Advances from Subsidiaries	In the ordinary course of business, certain expenses of the Company are paid on its behalf by its subsidiaries. Such expenses are accordingly reimbursed at cost to its subsidiaries.	304,235	2,891,781	(279,766)	(584,001)
Entities under common control		(108,000)	-	(108,000)	-
	Amounts are payable in cash on a gross basis. These are due and demandable; noninterest bearing; unsecured.				
		196,235	2,891,781	(387,766)	(584,001)
Dividends	On December 1, 2025, TGXI declared cash dividends amounting to P8,000,000 to its stockholders of records as of December 15, 2025.	8,000,000	13,000,000	9,256,284	1,521,250
	In 2025, the Company collected P264,966 of the outstanding dividend receivable in 2024. (Note 3).				-
	On December 2, 2024, TGXI declared cash dividends amounting to P13,000,000 to its stockholders of records as of December 31, 2025. The dividend collected was used as settlement to TGXI for the Company's advances.				
	On December 2, 2024, Gamemaster declared cash dividends amounting to P137,000 to its stockholders of records as of December 31, 2025. The dividend collected was used as settlement to Gamemaster for the Company's advances.	-	137,000	-	-
		8,000,000	13,137,000	9,256,284	1,521,250

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:

	2025	2024
Salaries and employee benefits	63,475	53,639
Directors' fees	27,678	16,100
	91,153	69,739

Dividends received as shown in the statements of cash flows for the years ended December 31 were determined as follows:

	2025	2024
Dividends receivable, beginning	1,521,250	1,521,250
Dividend income during the year	8,000,000	13,137,000
Dividend income collected during the year	(264,966)	(13,137,000)
Dividends receivable, ending	9,256,284	1,521,250

15 Income tax

The reconciliation of income tax expense is as follows:

	2025	2024
Income before income tax	6,192,215	11,992,153
Income tax using statutory tax rate 25%	1,548,054	2,998,038
Additions to (reductions in) income taxes resulting from tax effects of:		
Non-taxable income	(2,000,000)	(3,284,250)
Change in unrecognized deferred tax assets	440,881	274,828
Share in loss of a joint venture	14,491	11,594
Nondeductible expenses	1,142	1,702
Interest income subjected to final tax	(4,568)	(1,912)
	-	-

As at December 31, the Company's unrecognized deferred tax assets pertain to the following items:

	2025	2024
NOLCO	682,292	432,290
Retirement obligation	2,577	5,635
Share based compensation expense	189,699	111,923
Right-of-use asset	(16,338)	(23,599)
Lease liability	16,021	22,781
Allowance for ECL	3,679	3,679
MCIT	-	15
Others	114,004	(1,671)
	991,934	551,053

Deferred tax assets were not recognized since management believes it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The 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	2025	2024
2025	2028	1,000,005	1,000,005	-
2024	2027	647,360	647,360	647,360
2023	2026	379,407	379,407	379,407
2022	2025	255,323	-	255,323
2021	2026	213,927	213,927	213,927
2020	2025	233,144	-	233,144
			2,240,699	1,729,161

16 Critical accounting estimates and assumptions

Use of estimates and judgment

The preparation of the separate financial statements in accordance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the Company's 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 and judgments are revised and in any future periods affected.

Information about critical judgments and estimates in applying accounting policies that have the most significant effects on the amounts recognized in the Company's financial statements is as follows:

16.1 Judgments

In the process of applying the 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 Company's financial statements.

Determination and classification of a Joint Arrangement

The Company determines a joint arrangement in accordance with its control over the entity or joint operations rather than its legal form. The 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 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 Company has determined its involvement in the joint arrangement and determined that its investment is classified as a joint venture. Although the 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 associates 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 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 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 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 Company assessed that the investment in subsidiaries and joint venture as at and for the years ended December 31, 2025 and 2024 is not impaired.

The carrying value of the Company's investment in subsidiaries and joint venture amounted to P4,993,072 as at December 31, 2025 (2024 - P5,051,034) (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 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 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 Company's follow-up action to recover overdue debts.

Any change in the 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, 2025, the aggregate carrying amounts of dividends and other receivables and due from related parties amounted to P25,463,422 (2024 - P23,242,737). As at December 31, 2025 and 2024, the allowance for ECL amounted to P14,715 (Note 3).

Estimating realizability of deferred tax assets

The 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 Company also reviews the expected timing and tax rates upon reversal of the temporary differences and adjusts the impact of deferred tax accordingly. The 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 Company's past results and future expectations on revenues and expenses. The Company's unrecognized deferred tax assets amounted to P991,934 in 2025 (2024 - P551,053) (Note 15).

17 Financial risk and capital management objectives and policies

17.1 Financial risk management objectives and policies

The 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 Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures. The 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 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 Company's risk management policies are established to identify and analyze the risks faced by the Company and its subsidiaries, 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 Company's operations and forecasted results.

The 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 Company's Audit Committee to assist the BOD in fulfilling its oversight responsibility of the Company's corporate governance process relating to the: a) quality and integrity of the 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 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 Company would incur if customers and counterparties fail to perform their contractual obligations. The Company manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Company's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk. Further, the Company has regular internal control reviews to monitor the granting of credit and management of credit exposures.

Financial information on the 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	2025	2024
Cash in banks	2	1,427,322	377,980
Dividends and other receivables, gross	3	9,305,695	1,570,360
Due from related parties	14	16,172,532	21,687,092
Rent deposits*	7	14,126	14,125
Advances to HEPI	6	709,051	703,651
Financial assets at FVOCI	6	17,496	62,330
		27,646,222	24,415,538

*Included as part of "Other noncurrent assets" in the 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 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:

2025						
Days past due						
	Current	30 days	60 days	More than 90 days	ECL	Total
Cash in banks	1,427,322	-	-	-	-	1,427,322
Receivables, net	-	-	-	9,305,695	(14,715)	9,290,980
Due from related parties	16,172,532	-	-	-	-	16,172,532
Rent deposits*	14,126	-	-	-	-	14,126
Advances to HEPI	709,051	-	-	-	-	709,051
Financial assets at FVOCI	17,496	-	-	-	-	17,496
	18,340,527	-	-	9,305,695	(14,715)	27,631,507

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
Financial assets at FVOCI	62,330	-	-	-	-	62,330
	22,845,178	-	-	1,570,360	(14,715)	24,400,823

*Included as part of "Other noncurrent assets" in the Company statements of financial position.

2025					
General approach					
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Cash in banks	1,427,322	-	-	-	1,427,322
Receivables	9,290,979	-	-	-	9,290,979
Due from related parties	16,172,532	-	-	-	16,172,532
Rent deposits	14,126	-	-	-	14,126
Advances to HEPI	709,051	-	-	-	709,051
Financial assets at FVOCI	17,496	-	-	-	17,496
	27,631,507	-	-	-	27,631,507

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 to HEPI	703,651	-	-	-	703,651
Financial assets at FVOCI	62,330	-	-	-	62,330
	24,400,823	-	-	-	24,400,823

17.3 Liquidity risk

Liquidity risk pertains to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company 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 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 Company:

	2025			Total
	3 to 12 months	More than 1 year to 5 years	More than 5 years	
Financial assets:				
Cash in banks	1,427,322	-	-	1,427,322
Receivables, net	9,290,980	-	-	9,290,980
Due from related parties	16,172,532	-	-	16,172,532
Rent deposits	-	14,126	-	14,126
Advances	-	709,051	-	709,051
	26,890,834	723,177	-	27,614,011
Financial liabilities:				
Trade payables and other current liabilities*	136,567	-	-	136,567
Due to related parties	387,766	-	-	387,766
Lease liabilities, including future interest	33,228	34,889	-	68,117
	557,561	34,889	-	592,450
Net financial assets	26,333,273	688,288	-	27,021,561

	2024			Total
	3 to 12 months	More than 1 year to 5 years	More than 5 years	
Financial assets:				
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
	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
	31,646	68,117	-	99,763
Net financial assets	687,670	68,117	-	755,787
	22,933,047	649,659	-	23,582,706

Trade and other payables exclude payable to government agencies as at December 31, 2025 amounting to P12,570 (2024 - P9,908).

17.4 Market risk

Market risk is the risk that changes in market prices that will affect the 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 Company is exposed to equity securities price risk because of investments held by the Company, which are classified in the Company statement of financial position as financial asset at FVOCI as at December 31, 2025 (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 can 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 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 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 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 Company defines capital as equity, which includes share capital, additional paid-in capital, retained earnings (deficit) and fair value reserve equity amounting to P32,223,432 (2024 – P28,910,496). There were no changes in the Company's approach to capital management as at December 31, 2025 and 2024.

The Company is not subject to externally imposed capital requirements.

18 Summary of material accounting policies

18.1 Basis of preparation

The Company's financial statements have been prepared on a historical cost convention basis, except for certain financial assets carried at FVOCI.

The Company financial statements are presented in Philippine Peso, the Company's functional and presentation currency. All values are rounded to the nearest thousand (000), except when otherwise indicated.

Statement of compliance

The financial statements of the 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 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 and amended standards adopted by the Company

The Company has applied the following amendment for the first time for its annual reporting period commencing 1 January 2025:

- Lack of Exchangeability - Amendments to PAS 21

On 15 August 2023, the IASB amended PAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, PAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The amendment listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted by the Company

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and amendments is set out below:

- (a) Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2025, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(b) Annual Improvements to PFRS Accounting Standards - Volume 11 (effective for annual periods beginning on or after 1 January 2026)

On 18 July 2024, the IASB has issued narrow amendments to PFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. These amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of several PFRS Accounting Standards. The amended Standards are:

- PFRS 1 First-time Adoption of International Financial Reporting Standards;
- PFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing PFRS 7;
- PFRS 9 Financial Instruments;
- PFRS 10 Consolidated Financial Statements; and
- PAS 7 Statement of Cash Flows.

The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(c) PFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after January 1, 2027)

Issued in May 2025, PFRS 19 allows for certain eligible subsidiaries of Company entities that report under PFRS Accounting Standards to apply reduced disclosure requirements.

The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

(d) PFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after January 1, 2027)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard of the Company's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of PFRS 18 will have no impact on the Company's net profit, the Company expects that grouping items of income and expenses in the consolidated statements of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Company has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item 'other expenses and losses, net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
 - PFRS 18 has specific requirements on the category in which derivative gains or losses are recognized – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Company currently recognizes some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognized, and the Company is currently evaluating the need for change.

- The line items presented on the separate financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the consolidated statement of financial position, the Company will disaggregate goodwill and other intangible assets and present them separately in the consolidated statement of financial position.
- The Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Company will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

18.3 Financial assets

Classification and presentation

The 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 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 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 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 Company shall reclassify financial assets when and only when its business model for managing those assets changes.

The 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 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 Company commits to purchase or sell the asset.

Measurement

At initial recognition, the 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 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 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 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 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 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 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the 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 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 Company applies a general approach in calculating ECLs. The 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 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 Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Simplified approach

The 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 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 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 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 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 Company is exposed to credit risk.

Credit-impaired financial assets

At each reporting date, the 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 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 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 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 Company recognizes a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

The 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 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 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 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 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 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 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 Company or the counterparties.

18.7 Cash

Cash consists of cash on hand, cash deposits held at call with banks. 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 Company and carried over to the extent that it is probable that the benefit will flow to the Company.

18.9 Investments and advances

Subsidiary

The Company controls an investee if and only if the 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 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 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 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 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 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 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 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 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 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, 2025 and 2024 are listed as follows:

Subsidiaries	Percentage of ownership		Country of incorporation
	2025	2024	
AB Leisure Exponent, Inc. (ABLE) and subsidiaries	100	100	Philippines
AB Leisure Global, Inc. (ABLGI)	100	100	Philippines
LR Land Developers, Inc. (LRLDI)	100	100	Philippines
Prime Investment Korea, Inc. (PIKI)	100	100	Philippines
Total Gamezone Xtreme Incorporated (TGXI)	100	100	Philippines
Gamemaster Integrated Inc. (formerly G-Boracay Beta Holdings Inc. (GBBHI)	100	100	Philippines
Diginvest Holdings Inc. (Diginvest)	100	100	Philippines
Blue Chip Gaming and Leisure Corporation (BCGLC)	100	100	Philippines
LR Data Center and Solutions Inc. (LRDCSI)	80	80	Philippines
First Cagayan Leisure and Resort Corporation (FCLRC)	97.27	97.27	Philippines
Bingo Bonanza (HK) Limited (BBL)*	60	60	Hong Kong

*Deregistered

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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 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 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 Company's policy to classify right-of-use assets as part of property and equipment. The 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 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 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 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 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 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 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 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 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 consolidated financial statements in the period in which the dividends are approved and declared by the Company's BOD.

18.15 Revenue and income recognition

Revenue is measured based on the consideration which the entity is expected to be entitled to in the ordinary course of the Company's activities. Revenue is recognized as follows:

Dividend income

Dividend income is recognized in profit or loss when the right to receive payment is established.

Interest income

Interest income from cash in banks and receivables, which is presented net of final taxes paid or withheld, is recognized in profit or loss on a time-proportion basis using the effective interest method.

18.16 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.

18.17 Leases

When the 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 Company assesses whether the arrangement is, or contains, a lease. The Company does not have such arrangements during and at the end of each reporting period.

The Company is the lessee

The 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 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 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 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 lessee 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 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.

18.18 Employee benefits

Retirement benefits liability

The 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 defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability (or asset) recognized in the consolidated statement of financial position is the present value of the defined benefit obligation less fair value of the plan assets at the reporting date. In cases when the amount determined results in an asset, the Company measures the resulting asset at the lower of such amount determined and the present value of any economic benefits available to the 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 Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the 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.

18.19 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 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.

18.20 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 Company reported and/or paid the following types of taxes for the year ended December 31, 2025:

(a) Value-added tax (VAT)

The Company does not have transactions subject to output VAT for the year ended December 31, 2025.

Amount of input VAT recognized for the year ended December 31, 2025 are as follows:

	Amount
Input VAT	
Beginning of the year	64,854
Domestic purchase of services	18,539
	83,393

(b) Importations

The Company does not have importations and customs tariff and fees paid for the year ended December 31, 2025.

(c) Excise taxes

The Company does not have transactions subject to excise taxes for the year ended December 31, 2025.

(d) Documentary stamp tax

For the year ended December 31, 2025, the Company paid DST on loans and insurance amounting to P317.

(e) Withholding taxes

Amount of withholding taxes paid and accrued for the year ended December 31, 2025 are as follows:

	Paid	Accrued	Total
Withholding tax on compensation	1,360,341	5,530	1,365,871
Final withholding taxes	252,769	1,726	254,495
Expanded withholding tax	9,034	2,202	11,236
Final withholding VAT	-	452	452
	1,622,144	9,910	1,632,054

(f) Other taxes

Other taxes paid during the year recognized under "taxes and licenses" in profit or loss for the year ended December 31, 2025 follows:

	Amount
License and permit fees	18
Others	117
	135

(g) Tax assessments

The Company has not received any Final Assessment Notice (FAN) for the year ended December 31, 2025.

(h) Tax cases

The 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, 2025.