FORA SERVICES, INC.

DOING BUSINESS AS QUEST HOTEL TAGAYTAY

A corporation existing under the laws of the Republic of the Philippines

Prospectus relating to the Offer and Sale of
164 Certificates of Participation in the Quest Hotel Tagaytay Project
At an Offer Price of Php 187,700 to Php 440,700 per Certificate of Participation[1]

This date of this Prospectus is 12 May 2023.

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

[1] The applicable offer price for the Certificate of Participation is based on the size and type of unit sold.

FORA SERVICES, INC., doing business as Quest Hotel Tagaytay
Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway,
Silang Crossing East, Tagaytay, 4120 Cavite
Tel. No.: +63 (46) 419 8788
https://questtagaytay.com/

This Prospectus relates to the offer and sale to the public of 164 certificates of participation ("**Certificates**" or "**Certificates of Participation**) in Fora Condotel project (the "**Offer**") by Fora Services, Inc. doing business as Quest Hotel Tagaytay, a corporation organized and existing under the laws of the Republic of the Philippines (**"FOSI"**, the "**Issuer**" or the "**Company**"), subject to the registration requirements of the Securities and Exchange Commission of the Philippines ("**SEC**"). The Certificates shall be sold at an offer price ranging from Php187,700 to Php440,700 ("**Offer Price**") per Certificate, depending on the class of Certificate, or an aggregate Offer Price of up to Php37,756,700.

The 164 Certificates forming part of the Offer correspond to the total number of condotel units (each, a "**Unit**" or a "**Condotel Unit**") in Fora Condotel (the "**Condotel**"), a condominium project owned and developed by Filinvest Land, Inc. ("**FLI**"). On August 20, 2019, FLI and the Company entered into a Condotel Development Agreement ("**CDA**") wherein the parties confirmed the agreement between FLI and the Company whereby FLI undertook to develop, construct and market the Condotel as a condominium-hotel project to be called the Quest Hotel Tagaytay Project (the "**Project**" or "**Condotel Project**") and include as a condition for the sale of the units in the Condotel the buyers' obligation to contribute the use of their respective Units to the Project to be operated and managed by the Issuer, either by itself, or through a management agreement with a third-party contractor.

In exchange for their participation in the Project and their contribution of their respective Units to the Project, and subject to certain conditions discussed in this Prospectus, the unit owners in the Condotel (each a "**Unit Owner**"), to whom the Certificates shall be exclusively offered and sold, and who have satisfied the Eligibility Requirements as defined in this Prospectus, shall receive, in their capacity as holders of the Certificate (each, a "**Certificate Holder**") (i) an interest on the Certificate based on the Final Share in Participation Interest (as defined herein), and (ii) other annual usage privileges, subject to the terms and conditions hereinafter set forth in this Prospectus.

On March 1, 2019, the Board of Directors of the Company authorized the offer and sale of the 164 Certificates at the following Offer Price:

Class	No. of Certificates Per Class	Offer Price per Certificate	Aggregate Offer Price Per Class
Studio 23	63	Php187,700	Php 11,825,100
Studio 27	61	Php220,400	Php 13,444,400
Studio 29	18	Php236,700	Php 4,260,600
Suite 44	18	Php359,100	Php 6,463,800
Suite 54	4	Php440,700	Php 1,762,800
TOTAL	**164**		**Php 37,756,700**

The stockholders of the Company approved the issuance of the said securities on the same date.

The total proceeds to be raised by the Issuer from the Offer will cover (1) pre-operating expenses covering six (6) months of salaries and wages, human resource training programs, sales and marketing activities, utilities and simulation costs; (2) Condotel Expenses for the first three (3) months of operations; (3) Technical Fee to third-party operator/s; (4) working capital buy-outs which includes, but not limited to, guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle and information technology and communications

In the event that the revenue generated from the Project is insufficient to support its operations, the Certificate Holders authorize the Issuer to secure additional funding under such terms and conditions as the Issuer may deem beneficial to the Project, the cost of which shall form part of the Condotel Expenses.

The Certificate Holders are not entitled to any dividends from the Issuer. As discussed in this Prospectus, the Certificate Holders shall receive an interest on their Certificates based on the Final Share in Participation Interest, in addition to annual Room Use Privileges.

The Certificates shall not be transferable, except when sold or disposed together with the corresponding Condotel Unit. Any agreement to the contrary shall be void and will not be recognized by the Issuer. The Issuer shall maintain a registry book ("**Registry**") containing the official information on the Certificate Holders, including the class of Certificates they hold, as well as transfers or assignments thereof. Only Certificate Holders appearing in the Registry as of the end of each Payment Cycle shall be entitled to receive their Distributable Participation Interest.

No dealer, salesman or any other person has been authorized to give any information or to make any representation not contained in this Prospectus. If given or made, any such authorization or representation must not be relied upon as having been authorized by the Company.

The Certificates are being offered for sale solely in the Philippines. The distribution of this Prospectus and the offer and sale of the Certificates may, in certain jurisdictions, be restricted by law. The Company requires persons into whose possession this Prospectus comes, to inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. This Prospectus does not constitute an offer of any securities or any offer to sell, or a solicitation of any offer to buy any securities of the Company in any jurisdiction, to or from any person whom it is unlawful to make such offer in such jurisdiction.

The information contained in this Prospectus relating to the Issuer and its operations has been supplied by the Issuer, unless otherwise stated herein. To the best of its knowledge and belief, the Issuer which has taken reasonable care to ensure that such is the case, confirms that, as of the date of this Prospectus, the information contained in this Prospectus relating to it and its operations is correct, and that there is no material misstatement or omission of fact which would make any statement in this Prospectus misleading in any material respect and that the Issuer hereby accepts full and sole responsibility for the accuracy of the information contained in this Prospectus with respect to the same.

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

No facts have been omitted that would make any statement in this Prospectus misleading in any material respect. The Issuer confirms that it has made all reasonable inquiries with respect to any information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. The Issuer, however, has not independently verified any or all such publicly available information, data or analysis.

Market data and certain industry forecasts used throughout this Prospectus were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, the Company does not make any representation, undertaking or other assurance as to the accuracy or completeness of such information or that any projections will be achieved, or in relation to any other matter, information, opinion or statements in relation to the Offer. Any reliance placed on any projections or forecasts is a matter of commercial judgment. Certain agreements are referred to in this Prospectus in summary form. Any such summary does not purport to be a complete or accurate description of the agreement and prospective investors are expected to independently review such agreements in full.

The Issuer confirms that this Prospectus contains all material information relating to the Issuer, its affiliates and subsidiaries, as well as all material information on the Offer and offering of and the Certificates of Participation as may be required by the applicable laws of the Republic of the Philippines.

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

The price of securities can and does fluctuate. Any individual security may experience upward or downward movements, and may lose all or part of its value over time. The future performance of a security may defy the trends of its past performance, and there may be a significant difference between the buying price and the selling price of any security. As such, there is an inherent risk that losses may be incurred, rather than profit made, as a result of buying and selling securities. Thus, an investment in the Certificates of Participation described in this Prospectus involves a certain degree of risk.

In deciding whether to invest in the Certificates of Participation, a prospective buyer should, therefore, carefully consider all the information contained in this Prospectus, including but not limited to risks associated with an investment in the Certificates. These risks include:

- Risks relating to the Issuer's business and industry;
- Risks relating to the Philippines; and
- Risks relating to the Offer and the Certificates of Participation.

Prospective buyers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Certificates, among others. It bears emphasis that investing in securities involves certain risks. It is best to refer to the section on *"Risk Factors and Other Considerations"* beginning on page 50 of this Prospectus for a discussion of certain considerations with respect to an investment in the Certificates of Participation.

The Certificates will be sold by the Issuer and not through the facilities of the Philippine Stock Exchange or any other organized exchange. The Offer will not be underwritten; hence, no underwriting fees shall be incurred.

The initial application was filed with the SEC on 18 August 2020[2] to register the Certificates under the provisions of Republic Act No. 8799 or the Securities Regulation Code of the Philippines.

The Certificates that will be offered and sold are not tradable in an exchange nor in a liquid market. The Certificates will be issued by the Company based on qualification criteria as an adjunct to the sale contracts for the units. For further information on the sale and issuance of Certificates, please refer to the discussion beginning page 39, under the section *Description of the Offer – Certificates of Participation*.

The Offer will not be underwritten.

[2] The Company paid the filing fees for the Registration Statement evidenced by Official Receipt No. 1980937 on 29 March 2021. An amended Registration Statement was filed on 29 November 2021.

The Certificates are offered subject to the receipt and acceptance of any order by the Company and subject to its right to reject any order in whole or in part.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND ACCURATE.

FORA SERVICES, INC. doing business as Quest Hotel Tagaytay

By:

FRANCIS V. CEBALLOS
President and Chief Executive Officer

SUBSCRIBED AND SWORN TO BEFORE ME in the City of Mandaluyong this ___ day of MAY 12 2023 20__, affiant exhibiting to me ______________ as his/her competent evidence of identity.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 5110440; 1-3-23; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

Doc. No. 212;
Page No. 44;
Book No. 27;
Series of 2023.

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FORWARD-LOOKING STATEMENTS

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

- known and unknown risks;
- uncertainties and other factors that may cause actual results, performance or achievements of the Issuer to be materially different from any future results;
- changes in the Issuer's regulatory environment, including policies, decisions and determinations of governmental or regulatory authorities; and
- performance or achievements expressed or implied by forward-looking statements.

Important factors that could cause some or all of the assumptions not to occur or result in performance or achievements materially different from those in the forward-looking statements include, among other things:

- The Issuer's ability to successfully implement its strategies;
- The Issuer's ability to anticipate and respond to economic and market trends, including changes in the Philippine, Asian or global economies;
- Any future political instability in the Philippines, Asia or other regions;
- Natural or other catastrophes which may disrupt the Issuer's business operations;
- Changes in interest rates, inflation rates and foreign exchange rates of the Peso against other currencies; and
- Changes in the laws, policies, rules and regulations, including tax laws and licensing requirements, affecting the Issuer in the Philippines.

Additional factors that could cause actual results, performance or achievements of the Issuer to differ materially include, but are not limited to, those disclosed under "Risk Factors and Other Considerations" and elsewhere in this Prospectus.

The Issuer has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business and operations. Words including, but not limited to "believe", "may", "will", "estimates", "continues", "anticipates", "intends", "expects", and similar words are intended to identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Prospectus are forward-looking statements. Statements in the Prospectus as to the opinions, beliefs and intentions of the Issuer accurately reflect in all material respects the opinions, beliefs and intentions of its management as to such matters as of the date of this Prospectus, although the Issuer gives no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Prospectus discloses, under the section "Risk Factors and Other Considerations" and elsewhere, important factors that could cause actual results to differ materially from the Issuer's expectations. All subsequent written and oral forward-looking statements attributable to the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by the above cautionary statements.

In light of the risks and uncertainties associated with forward-looking statements, prospective buyer should be aware that the forward-looking events and circumstances in this Prospectus may or may not occur. The Issuer's actual results could differ significantly from those anticipated in the Issuer's forward-looking statements.

GLOSSARY OF TERMS

As used in this Prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

Administrative Fee	The fee that will be assessed by the Issuer upon submission of the complete documentary requirements for transfer of ownership of the Unit and the Certificate, to cover all costs and expenses in relation to the transfer of the Certificate of Participation in the Registry.
Assessment for Force Majeure Events	An amount levied by the Issuer to Certificate Holders to cover expenses for business interruption due to force majeure events. The Issuer reserves the right to determine the amount of the assessment as it may deem necessary, taking into account the relevant force majeure event and the duration thereof, to ensure the financial viability of the Project, despite business interruption due to force majeure.
BIR	Bureau of Internal Revenue.
Board / Board of Directors	The Board of Directors of the Issuer.
CAPEX Reserve	A funded capital expenditure reserve estimated at 3-10% of the Condotel Revenue to be used for the repairs, replacements, improvements or substitutions of/or additions to (i) Furniture, Fixtures and Equipment, and (ii) facilities and the amenities located in the common areas of the Condotel. The amount may vary from year to year depending on the age of the property at the time the reserve is made. Any of the foregoing replacements, improvements or substitutions of/or additions shall be booked by the Issuer as assets which will be utilized for the operations of the Condotel Project.
CDA	The Condotel Development Agreement between Filinvest Land, Inc. and Fora Services, Inc. doing business as Quest Hotel Tagaytay dated August 20, 2019.
Certificate of Participation / Certificate	The document evidencing the participation of a Unit Owner in the Project.
Certificate Holder	A Unit Owner who has satisfied the Eligibility Requirements to hold the Certificate.
CHI	Chroma Hospitality, Inc.
Condotel	The 10-storey Fora Condotel, located along General Emilio Aguinaldo Highway, Tagaytay City, issued with License to Sell No. 029849, comprised of commercial spaces, 164 Condotel Units, and the facilities and amenities located on its common areas.
Condominium Certificate of Title / CCT	Condominium Certificate of Title to be issued to each of the owners of the Condotel Units evidencing their full payment and ownership of the Condotel Units.

Condominium Corporation	The condominium corporation to be established for the Condotel pursuant to the requirements of Republic Act No. 4726 or The Condominium Act, which shall eventually hold the title to the common areas and the land over which the Condotel is built.
Condotel Expenses	The costs necessary for the full operations of the Condotel Project and incurred as a result of or in direct relation to the usage of the Condotel Units. These include operating and non-operating expenses such as but not limited to: (i) salaries and wages, training and benefits of all personnel directly or indirectly servicing the Project, whether full time or part time; (ii) linens, room and guest supplies, laundry, housekeeping and security services; (iii) cost of the minibar sales, share on cost of free meals/drinks; (iv) cost of other promotional items or services, commissions, advertising, promotions and marketing costs; (v) subscriptions and membership in any hotel and condotel affiliations, conferences and seminars imposed by the hotel affiliations; (vi) repairs and maintenance; (vii) rental expense; (viii) utilities; (ix) telephone, internet, communication and other IT-related expenses; (x) insurance (eg. comprehensive general liability, business interruption insurance, third-party liability insurance); (xi) association dues on common areas; (xii) Fora Rotunda Tagaytay estate dues; (xiii) business and revenue imposed taxes such as value-added tax, gross receipts tax, and other similar taxes; (xiv) professional fees, operator's management fees (base and incentive management fees) and administrative fees; (xv) reimbursements; (xvi) transportation and travel costs; and (xvii) operating supplies.
Condotel Revenue	The total of the (i) room revenue generated, whether on cash or credit, from the operations of the Condotel arising from usage of the Condotel Units, net of charges imposed by payment facilities, and travel or booking agents, remittance charges, discounts on room rates and other similar costs; (ii) all other income derived from the occupancy of the Condotel Units such as minibar sales, services availed of by guests during room use such as laundry, telephone services, and other services; (iii) revenue from room package trips, if any, net of costs; (iv) in-room internet access; and (v) in-room spa and salon services, net of costs. The computation of the Condotel Revenue shall not include the following income-generating activities of the Condotel: (i) use of function rooms; (ii) parking fees; (iii) food and beverage operations; (iv) service charge, if any, or other forms of gratuity intended for distribution to employees or personnel; and (v) other similar services. For items (i) to (iii), the revenue generated therefrom shall be excluded from the Condotel Revenue, unless FOSI leases the facilities or amenities of the Condotel useful or necessary to generate

	such revenues, and assumes the management and operation thereof, in which event, revenues generated shall be considered as part of the Condotel Revenue.
Condotel Unit	The Unit to be contributed to the Condotel Project by the Unit Owner. Under the pertinent Contract to Sell or Deed of Absolute Sale with FLI, as well as any addendum thereto, covering the sale of the Condotel Unit, the Condotel Unit shall include the Furniture, Fixtures and Equipment.
CPA	The Condotel Participation Agreement between Fora Services, Inc. and a Unit Owner. For avoidance of doubt, the Condotel Participation Agreement is the same as the Rental Pool Agreement as used in the Contract to Sell between FLI and the Buyer.
Developer / FLI	Filinvest Land, Inc., a publicly-listed domestic corporation engaged in the development of real estate projects including the Condotel Project.
Distributable Participation Interest	The amount available for distribution to Certificate Holders which shall be the balance of any Final Share in Participation Interest, after payment of the Distribution Qualifiers.
Distribution Qualifiers	The expenses relating to the Condotel Unit for the account of the Unit Owner and assessments to the Certificate Holder to cover business interruption expenses due to force majeure events, to which the Final Share in Participation Interest shall be applied, in the following order: 1. Amount due to the Developer, if any; 2. Owners' Expense; 3. Special Assessments, if any; and 4. Assessment for Force Majeure Events, if any.
DHSUD	Department of Human Settlements and Urban Development
ECC	The Environmental Compliance Certificate No. R4A 1409 05 74 issued by the Environmental Management Bureau of the Department of Environment and Natural Resources ("DENR-EMB") on 18 November 2014.
EIS	Environmental Impact Statement.
Eligibility Requirements	The following conditions to be satisfied by a Unit Owner to be eligible to hold the Certificates: (a) The Unit Owner shall have paid at least twenty percent (20%) of the Unit's purchase price to the Developer; and (b) The Unit Owner shall have paid in full the Fit-Out Fee; (c) The Unit Owner shall have paid in full the Joining Fee; and (d) The Unit Owner shall have executed a Condotel Participation Agreement.

<table>
<tr><td></td><td>In case of sale or transfer by the Unit Owner of the Certificate of Participation, together with the Condotel Unit, the following conditions that need to be satisfied are as follows:

1. Submission of the Certificate Authorizing Registration issued by the BIR for such sale or transfer; or the Condominium Certificate of Title over the Condotel Unit, issued by the Register of Deeds in the name of the transferee;

2. Payment of Administrative Fee;

3. Waiver of the Right of First Refusal issued by the Developer; and

4. Surrender of the original Certificate of Participation.</td></tr>
<tr><td>FDC</td><td>Filinvest Development Corporation.</td></tr>
<tr><td>FHC</td><td>Filinvest Hospitality Corporation.</td></tr>
<tr><td>Final Share in Participation Interest</td><td>The Participation Income accrued within one (1) Payment Cycle, less provision for corporate income tax, provision for repayment of borrowing, provision for working capital requirements, any uncollected revenue, prepaid taxes during the period, CAPEX Reserve, reserve for Joining Fee amortization, and adjusted for non-cash transactions and any Room Use Privilege enjoyment.</td></tr>
<tr><td>Fit-Out Fee</td><td>The amount charged by the Developer for the initial fit-out of the Condotel Unit to fund the cost of initial Furniture, Fixtures and Equipment.

The Fit-Out Fee varies depending on the unit type.
<table>
<tr><th>Class</th><th>Fit-Out Fee</th></tr>
<tr><td>Studio 23</td><td>PhP581,200.00</td></tr>
<tr><td>Studio 27</td><td>PhP 682,300.00</td></tr>
<tr><td>Studio 29</td><td>PhP 732,900.00</td></tr>
<tr><td>Suite 44</td><td>PhP 1,111,900.00</td></tr>
<tr><td>Suite 54</td><td>PhP 1,364,600.00</td></tr>
</table>

The Fit-out Fee, together with the purchase price, will be paid by the Buyer to FLI when buying a Condotel Unit. The Fit-out Fee to be paid shall be included in the payment schedule, which will be attached as an annex to the Contract to Sell between the Buyer and FLI.

For avoidance of doubt, the Fit-out Fee, which is paid to FLI upon purchase of the Condotel Unit, is neither included or part of the purchase price, nor the Joining Fee, which is paid to FOSI for the issuance of the Certificate of Participation.</td></tr>
<tr><td>Fora Rotunda Tagaytay</td><td>FLI's 5.2-hectare township project in Tagaytay City, Philippines, where the Condotel is located.</td></tr>
<tr><td>Furniture, Fixtures and Equipment</td><td>The interiors, decorations and fittings of the Condotel Unit, which shall include but not limited to the following furnitures, fixtures and equipment:</td></tr>
</table>

<table>
<tr><td></td><td>bed frame and mattress, decorative lighting, tiles, stones, TV console, working table and chair and wardrobe, air-conditioning unit, appliances such as TV, heater, mini refrigerator, safety deposit box and phone unit, shower enclosure, lavatory countertop, sanitary wares and fixtures, and toilet fixtures and accessories, and other room supplies.</td></tr>
<tr><td>Government</td><td>The Government of the Republic of the Philippines.</td></tr>
<tr><td>Group or Filinvest Group</td><td>Filinvest Development Corporation and its subsidiaries.</td></tr>
<tr><td>HLURB</td><td>Housing and Land Use Regulatory Board.</td></tr>
<tr><td>Issuer / Company / FOSI</td><td>Fora Services, Inc. doing business as Quest Hotel Tagaytay, a domestic corporation primarily engaged in the business of operating and managing real estate projects and rendering hospitality-related services, particularly, the Quest Hotel Tagaytay Project.</td></tr>
<tr><td>Joining Fee</td><td>The amount equivalent to the Offer Price paid by an initial Unit Owner for a Certificate, which will be repaid to the Certificate Holders upon end of the Term of the Condotel Project, without interest.</td></tr>
<tr><td>LGU</td><td>Local Government Unit.</td></tr>
<tr><td>Management Agreement</td><td>The agreement between the Company and CHI pursuant to which CHI shall provide management services to oversee the day-to-day operation of the Condotel Project.</td></tr>
<tr><td>Master Deed</td><td>The document executed by the Developer setting forth the terms, conditions, and restrictions governing the use and conveyance of the various portions of the Condotel.</td></tr>
<tr><td>Offer</td><td>The offer and sale of the 164 Certificates in the Quest Hotel Tagaytay Project.</td></tr>
<tr><td>Offer Price</td><td>The Offer Price for each of class of Certificates is as follows:
<table>
<tr><th>Class</th><th>Offer Price Per Class</th></tr>
<tr><td>Studio 23</td><td>Php187,700</td></tr>
<tr><td>Studio 27</td><td>Php220,400</td></tr>
<tr><td>Studio 29</td><td>Php236,700</td></tr>
<tr><td>Suite 44</td><td>Php359,100</td></tr>
<tr><td>Suite 54</td><td>Php440,700</td></tr>
</table></td></tr>
<tr><td>Owners’ Expense</td><td>Owner’s Expense shall include the following expenses relating to the pertinent Condotel Units owned by the Certificate Holders as Unit Owners:
1. all-risk insurance to cover against property damage, earthquake, fire and other relevant perils;
2. real property taxes and other special government assessments on the Condotel Unit/s, whether existing or to be imposed in the future;
3. service fees relating to processing of the foregoing expenses.</td></tr>
</table>

Participation Income	The amount remaining from the Condotel Revenue after deduction of the Condotel Expenses. Any Interest Income generated by the Condotel operations will form part of the Participation Income.
Participation Interest Rate	A variable percentage derived as a quotient of the Total Unadjusted Participation Interest over the total Joining Fee of the Certificate Holders for each Payment Cycle. The Total Unadjusted Participation Interest is computed by adding interest income then deducting therefrom the Condotel Expenses, provision for corporate income tax, provision for repayment of borrowing, provision for working capital requirements, any uncollected revenue, prepaid taxes during the period, CAPEX Reserve and reserve for Joining Fee amortization from the Condotel Revenue and further adjusted for non-cash transactions.
Payment Cycle	The payment cycle of the Distributable Participation Interest shall be a 12-month calendar period. However, for the first Payment Date which shall be scheduled on the last Friday of May of the year immediately following the year of Issuance of the SEC Permit to Sell,the Certificate Holder's right to receive its Distributable Participation Interest shall be derived from all Condotel Revenue from date of the SEC Permit to Sell until December 31 of that same year.
Payment Date	The last Friday of May, or if it falls on a holiday, the next business day, following the calendar year in which the Distributable Participation Interest was earned.
Pesos or Php	Philippine Pesos, the lawful currency of the Republic of the Philippines.
Prospectus	This Prospectus together with all its annexes, appendices and amendments, if any.
Quest Hotel Tagaytay	The trade name used by the Issuer for the Condotel Project.
Quest Hotel Tagaytay Project or Condotel Project or Project	The hotel operations to be conducted by the Issuer, or its third-party contractor, on the Condotel Units to be contributed by the Unit Owners, including, but not limited to the (i) guest usage of the Condotel Units, (ii) use of facilities or amenities useful or necessary to hotel operations and (iii) offering of other hospitality-related services.
Registry	The registry book maintained by the Issuer containing the official information on the Certificate Holders, including the class of Certificates they hold, as well as transfers or assignments thereof.
Revised Corporation Code	Republic Act No. 11232, otherwise known as "The Revised Corporation Code of the Philippines".
Room Nights Contribution	The number of nights the Condotel Unit was made available for the business operations of the Condotel Project within one (1) Payment Cycle. For the avoidance of doubt, the Certificate Holder's enjoyment of the Room

	Use Privilege and the number of nights the Condotel was forced to temporarily close during the calendar year for reasons not attributable to the fault or negligence of the Issuer ('temporarily closed nights'), shall be deducted from the base figure of 365. Hence, the maximum Room Nights Contribution for each Payment Cycle shall be 365 nights (or 366 nights for a leap year), while the minimum shall be 351 nights (or 352 nights, in case of a leap year), less number of temporarily closed nights.
Room Nights Contribution Ratio	For each of the Certificate Holders, this shall be computed by dividing the Room Nights Contribution by the number of nights in a year (e.g. 365 or 366) less number of temporarily closed nights.
Room Use Privilege	The entitlement of Certificate Holders to avail of room nights in the Condotel up to a maximum of fourteen (14) nights per calendar year, subject to terms and conditions discussed on Page 29 of this Prospectus. Should the Condotel be forced to temporarily close during the calendar year, for reasons not attributable to the fault or negligence of the Issuer, the Room Use Privilege shall be reduced in such number of nights proportionate to the period when the Condotel was forced to temporarily close. Any enjoyment of the Room Use Privilege shall also determine the Certificate Holder's Room Nights Contribution.
SEC	Securities and Exchange Commission.
SEC Permit to Sell	The Permit to Sell Securities issued by the SEC in connection with the Offer.
Special Assessment	An amount levied by the Issuer to Certificate Holders in their capacity as Unit Owners to cover major renovations, improvement or upgrade to the Condotel. For avoidance of doubt, the Special Assessment shall not form part of the Joining Fee and shall not be subject to repayment upon the expiry of the Term of the Condotel Project.
SRC	Republic Act No. 8799, otherwise known as "The Securities Regulation Code".
Tax Code	The Philippine National Internal Revenue Code of 1997, as amended.
Technical Fee	The fee paid by the Issuer to third-party operator/s for the Technical Services.
Technical Services	The services provided by third-party operator/s to the Company such as (i) preparing the Condotel Project program and brief, (ii) establishing targets to meet the Condotel standards of operator, (iii) guiding the design team to design an efficient Condotel in line with the operator's standards and project brief; (iv) coordinating and integrating the information supplied by the experts of operator and/or its affiliates (particularly relating to standards and specifications for design and construction and equipment); (v) defining and selecting the specialized equipment for the Condotel Project; and (vi) visiting the site for mock up room approval, inspections, and for project recommendations before completion.

VAT	Value-Added Tax

EXECUTIVE SUMMARY

This summary highlights certain information contained elsewhere in this Prospectus. This summary should be read in conjunction with and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Prospectus.

This summary does not purport to contain all the information that a prospective buyer should consider before investing. Each prospective buyer should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations" for a discussion of certain factors to be considered when investing in the Certificates of Participation and the related notes contained in this Prospectus. In case of any inconsistency between this summary and the more detailed information in this Prospectus, then the more detailed portions, as the case may be, shall at all times prevail.

Brief Background on the Issuer

FORA SERVICES, INC. **doing business as Quest Hotel Tagaytay** (the "**Issuer**" or the "**Company**") was incorporated under the laws of the Republic of the Philippines on August 24, 2018. It has an authorized capital stock of One Million Six Hundred Thousand Pesos (Php1,600,000), divided into Sixteen Thousand (16,000) common shares with a par value of One Hundred Pesos (Php100) per share. As of the date of this Prospectus, Four Thousand (4,000) common shares of the Company are issued and outstanding.

The Company was incorporated as "Fora Services, Inc." and on September 13, 2019, the Securities and Exchange Commission approved the change of corporate name of the Company to "Fora Services, Inc., Doing Business as Quest Hotel Tagaytay".

Fora Services, Inc. doing business as Quest Hotel Tagaytay, is a domestic corporation primarily engaged in the business of operating and managing real estate projects and rendering hospitality-related services. The primary purpose of the Company is to purchase or otherwise acquire and own real property and personal property of all kinds, to sell, use, assign, transfer, dispose, hold, mortgage, lease, maintain, manage, construct, contract for, improve, develop and administer, alone or jointly with others, any interest in real or personal property as well as in hotels, to cater only to condotel, hotel and resort clients, inns, resorts, lodging houses, service apartments and all adjunct and accessories thereto, including restaurants, café, bars, stores, offices, barbershops, beauty lounges, sports facilities, places of amusement and entertainment of all kinds; or to grant concessions, rights or licenses to others to operate, manage, or deal with the same; to do any and all things necessary, suitable, convenient, proper or incidental to the accomplishment of the business of hotelkeepers, innkeepers or for the enhancement of the value of the Company.

The Company is a wholly-owned subsidiary of Filinvest Hospitality Corporation ("**FHC**"), a subsidiary of Filinvest Development Corporation ("**FDC**"). The Filinvest Group evaluates, from time to time, its group structure to ensure the attainment of its corporate goals and strategies. In this regard, the Filinvest Group may undertake a corporate restructuring, including the transfer of ownership of its subsidiaries and affiliates, including the Company, within the Filinvest Group.

On August 20, 2019, the Company entered into a Condotel Development Agreement ("**CDA**") with Filinvest Land, Inc. ("**FLI**") confirming the agreement between FLI and the Company wherein FLI undertook to construct and develop a condominium project to be called the Fora Condotel (the "**Condotel**"). The CDA further provides that the Condotel shall be exclusively utilized for the hotel business to be operated and managed by the Company.

Under the CDA, FLI shall require the buyers of Condotel Units to contribute the right to use and possess their Condotel Units to be managed and operated by the Company, either by itself or through a third-party contractor. In exchange for such contribution of the Condotel Unit in the Project, each Certificate Holder shall be entitled to receive from the Issuer a Distributable Participation Interest on the Certificate to be distributed on an annual basis and a maximum of fourteen (14) nights Room Use Privilege in the Condotel. Should the Condotel be forced to temporarily close during the calendar year, for reasons not attributable to the fault or negligence of the Issuer, the Room Use Privilege shall be reduced in such number of nights proportionate to the period when the Condotel was forced to temporarily close.

The construction of the Condotel was completed on September 2019.

Competitive Strengths

The Issuer believes that its principal strengths include the following:

- The Issuer is a wholly-owned subsidiary of FHC and is part of the Filinvest Group. As such, the Issuer benefits from the financial capacity of the Filinvest Group which enables it to invest and expand its portfolio.
- The Condotel forms part of a mixed-use development owned and operated by other affiliates within the Filinvest Group. This ensures that the needs of the Condotel's guests and clientele are sufficiently addressed giving its visitors/guests and residents a truly unique, unparalleled, and rich experience of Tagaytay and its various offerings in one beautifully-designed, socially-interactive, safe, walkable, and environmentally-sustainable setting. On arrival at Fora Tagaytay, guests, visitors or residents can simply park their vehicles and be able to immediately access, visit and explore all the dining, shopping, entertainment, meeting places, and accommodations – all within convenient walking distance – and spend the whole day or even a weekend enjoying the place. There is no other comparable development within Tagaytay or its environs like Fora Tagaytay.
- The Issuer benefits from the proven track record of the Filinvest Group in the hospitality business. The Issuer believes that the Group has built strong hospitality brands which cater to different segments of the market. The group's hospitality business also features an independent property management arm, which complements its core hospitality operations business. The Group is able to apply the experience it has gained from the real estate industry to the development of its hospitality business and take advantage of the operational synergies arising from diverse range of businesses within the Filinvest Group.
- The Condotel is located in a prime location.

Business Strategies

The principal strategy/ies of the Issuer include the following:

- Engage qualified and competent hotel managers with a world-class record of collective business expertise to manage the Condotel Project;
- Enhance synergies with the Filinvest Group;
- Bank on the Quest brand to optimize the Condotel Project;
- Maximize marketing reach and distribution channels.

Risk of Investing

Prospective buyers of the Certificates of Participation should also consider the following risks of investing in the Offer:

- Risks relating to the Issuer's business and the hotel industry;
- Risks relating to the Philippines; and
- Risks relating to the Offer and the Certificates of Participation.

Please refer to the section entitled *"Risk Factors and Other Considerations"* on page 39, which, while not intended to be an exhaustive enumeration of all related risks, must be considered in connection with the purchase of the Offer.

SUMMARY OF THE OFFER

The following does not purport to be a complete listing of all the rights, obligations and privileges attaching to or arising from the Offer. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective buyers are enjoined to perform their own independent investigation and analysis of the Issuer, the Quest Hotel Tagaytay Project, and the Offer. Each prospective buyer must rely on its own appraisal of the Quest Hotel Tagaytay Project and the Offer and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective buyer's independent evaluation and analysis.

<table>
<tr><td>Issuer</td><td>Fora Services, Inc. doing business as Quest Hotel Tagaytay</td></tr>
<tr><td>Offer Size and Price</td><td>164 Certificates in the Quest Hotel Tagaytay Project, which are further classified according to the unit/room type, as follows:
<table>
<tr><th>Class</th><th>No. of Certificates Per Class</th><th>Offer Price</th></tr>
<tr><td>Studio 23</td><td>63</td><td>Php187,700</td></tr>
<tr><td>Studio 27</td><td>61</td><td>Php220,400</td></tr>
<tr><td>Studio 29</td><td>18</td><td>Php236,700</td></tr>
<tr><td>Suite 44</td><td>18</td><td>Php359,100</td></tr>
<tr><td>Suite 54</td><td>4</td><td>Php440,700</td></tr>
<tr><td>TOTAL</td><td>164</td><td>Php37,756,700</td></tr>
</table>
</td></tr>
<tr><td>Eligibility Requirements for Certificate Holders</td><td>The Certificates shall be offered and sold exclusively to the buyers of the 164 Condotel Units in the Condotel.

Certificate Holders may either be a natural person of legal age residing in the Philippines or abroad, or any corporation, association, partnership, trust account, fund or entity, subject to the restrictions applicable to the foreign ownership of condominium projects.

A Unit Owner shall be qualified to hold a Certificate upon fulfillment of the following conditions/criteria (the "Eligibility Requirements"):

The Unit Owner shall have paid at least twenty percent (20%) of the Condotel Unit's purchase price to the Developer;
The Unit Owner shall have paid in full the Fit-Out Fee;
The Unit Owner shall have paid in full the Joining Fee; and
The Unit Owner shall have executed the Condotel Participation Agreement with the Issuer.

In case of sale or transfer by the Unit Owner of the Certificate of Participation, together with the Condotel Unit, the following conditions that need to be satisfied are as follows:

Submission of the Certificate Authorizing Registration issued by the BIR for such sale or transfer; or the Condominium Certificate of Title over the Condotel Unit, issued by the Register of Deeds, in the name of the transferee;
Payment of Administrative Fee;
Waiver of the Right of First Refusal issued by the Developer; and
Surrender of the original Certificate of Participation.

</td></tr>
</table>

<table>
<tr><td>Rights of Certificate Holders</td><td>The Certificate Holders shall be entitled to receive the following benefits from the participation of their Condotel Units in the Quest Hotel Tagaytay Project:

• Payment of Distributable Participation Interest on an annual basis;
• Maximum of fourteen (14) nights Room Use Privilege in the Condotel per calendar year in accordance with the terms and conditions specified under the CPA, including the use of amenities and facilities, which may be subject to additional fees and charges. Should the Condotel be forced to temporarily close during the calendar year, for reasons not attributable to the fault or negligence of the Issuer, the Room Use Privilege shall be reduced in such number of nights proportionate to the period when the Condotel was forced to temporarily close.</td></tr>
<tr><td>Conditions to Receipt of Distributable Participation Interest</td><td>Only Certificate Holders appearing in the Registry as of the end of each Payment Cycle shall be entitled to receive the Distributable Participation Interest.

The Final Share in Participation Interest that may be due to a Certificate Holder shall first be applied against the Distribution Qualifiers.

Any amount remaining shall be received by the Certificate Holder as his Distributable Participation Interest.</td></tr>
<tr><td>Restrictions on Ownership and Transfer of the Certificates</td><td>• Since the Certificates (as well as the participation rights) attach to the Condotel Units, the nationality restriction applicable to condominium projects shall likewise extend to the Certificates. Accordingly, the foreign ownership shall be limited to forty percent (40%) of the total value of the Certificates.

• No Certificate Holder may divest his ownership of the Certificate separately from his ownership of the Condotel Unit.

• Should a Unit Owner decide to sell the Unit together with the Certificate, the Unit Owner shall inform the Developer and the Issuer in writing prior to such sale in the form provided in the CPA. The Developer shall have a right of first refusal over the Condotel Unit and the Certificate. Any transfer of the Certificate without observing this requirement shall not be registered in the Registry.</td></tr>
</table>

Term of the Condotel Project	The Certificates shall have a term of twenty-five (25) years counted from the date of the SEC Permit to Sell for the Project, subject to renewal or extension for a similar or shorter period, at the sole option of the Issuer. In the event that the Issuer decides not to operate the Condotel Project for another term, or for any other reason prior to the expiration of the term due to operating losses, the possession of the Condotel Units shall be turned over to the respective Unit Owners. The improvements in the Condotel Units shall also be turned over and/or liquidated at the option of the Issuer, the proceeds of which shall be distributed to the Unit Owners. The Issuer shall likewise return the amount of the Joining Fee received from the Certificate Holders. In case of pre-termination of the Term of the Condotel Project, i.e., the Condotel Project was terminated prior to the expiration of the twenty-five (25) year Term, the Joining Fee shall be returned to the Certificate Holders pro-rata. To illustrate, if the Condotel Project was only in operations for fifteen (15) years, the Certificate Holders will only be entitled to receive a pro-rated amount of the Joining Fee, thus: Joining Fee / Term of Condotel Project X No. of Participating Years – Joining Fee = Fee to be Returned to Certificate Holder. PhP187,700 / 25 x 15 – (PhP187,700) = PhP75,080
Use of Proceeds	The Issuer shall use the net proceeds from the Offer for the following: 1. Pre-operating expenses covering six (6) months of salaries and wages, human resource training programs, sales and marketing activities, utilities and simulation costs; 2. Condotel Expenses for the first three (3) months of operations; 3. Technical Fee to third-party operator/s; 4. Working capital buy-outs which includes but not limited to guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle, information technology, and communications; and 5. Working capital requirements.
Plan of Distribution	The Certificates will be exclusively offered and sold to Unit Owners by the Issuer .
Payment Terms for the Issuance and Transfer of the Certificates	The Offer Price shall be paid in full by the initial Certificate Holder/s through various payment schemes. Please see "Payment Terms" on page 30 of this Prospectus for further information on the permitted modes of payment for the Certificates. In case of any transfer of the Certificates, subsequent Certificate Holders shall pay the Administrative Fee.
Tax Considerations	Please see "Taxation" on page 76 of this Prospectus for further information on the Philippine tax consequences of the purchase, ownership and disposal of the Certificates.

Governing Law	The offer and sale of the Certificates of Participation and the operation of the Condotel Project shall be governed by the laws of the Republic of the Philippines.
Risks of Investing	Please see "Risk Factors and Other Considerations" on page 39 of this Prospectus for further information on the risk of investing in the Certificates of Participation.
Expected Timetable	SEC Pre-Effective Approval – 25 April 2023 Issuance of SEC Permit to Sell – 2 May 2023 The dates included above are subject to the approval of the SEC, market and other conditions and may be subject to change.

BUSINESS OVERVIEW

FILINVEST GROUP

The Filinvest Group is a substantial player in Philippine hospitality industry. It made its first foray into the hospitality business in 2008 when it entered a joint venture with Archipelago International Pte. Ltd ("**AIPL**") and created Chroma Hospitality, Inc. (formerly Filarchipelago Hospitality, Inc.) ("**CHI**") to manage and operate the Filinvest Group's hospitality projects. CHI is 60% owned by FDC and 40% owned by AIPL. In August 2011, FDC formed its wholly owned subsidiary Filinvest Hospitality Corporation (formerly FDC Hotels Corporation) ("**FHC**") to serve as the primary developer and owners' representative of Filinvest-owned properties. The Filinvest Group is able to apply the experience it has gained from the real estate industry to the development of its hospitality business and take advantage of the operational synergies arising from the diverse range of businesses within the Filinvest Group in order to further expand its hospitality operations in the future. The Filinvest Group evaluates, from time to time, its group structure to ensure the attainment of its corporate goals and strategies. In this regard, the Filinvest Group may undertake a corporate restructuring, including the transfer of ownership of its subsidiaries and affiliates, including the Company, within the Filinvest Group.

As of October 31, 2021, Filinvest Group's operating hotel portfolio includes the 290-room Crimson Resort and Spa Mactan, the 345-room Crimson Hotel, Filinvest City Manila, the 468-room Quest Hotel and Conference Center, Cebu (including 41 serviced apartments), the 298-room Quest Plus Hotel and Conference Center, Clark, the 192-room Crimson Resort and Spa Boracay, the 71-room Timberland Highlands Resort, and Quest Hotel Tagaytay.

The Filinvest Group believes its hotels and resorts offer a full range of hospitality products that cater to various market segments. All hotels of the Filinvest Group are independently and professionally managed and operated by CHI under management agreements. As of October 31, 2021, CHI manages a total of 1,828 keys, including the Condotel Project.

Existing and Operational Hotel Properties within the Filinvest Group

1. **Crimson Resort and Spa Mactan ("CRSM")**

   The Filinvest Group's first operating resort property is the five-star CRSM. The resort is directly owned by FDC through Mactan Seascapes Services, Inc. (formerly Seascapes Resort, Inc.) ("**MSSI**") which was incorporated on July 17, 2009. CRSM is an award-winning deluxe resort located on the island of Mactan, Cebu, Philippines. The sprawling 6-hectare beach resort features 290 guest rooms including 40 villas with private plunge pools, five food and beverage outlets, a gym, a children's play area and two ballrooms. CRSM was formally launched on October 8, 2010. The flagship Azure Beach Club was launched on October 24, 2014. The resort completed its renovation of the infinity pool and opened the Spanish-themed Enye restaurant in 2017. The property also launched the 3,700-sq.m. Crimzone, which features family-oriented facilities, children's play area, dedicated pool and snack bar. The construction of the 229-room expansion of the property with additional food and beverage outlets and function spaces is on-going.

2. **Quest Hotel and Conference Center, Cebu ("QHCC Cebu")**

   In September 2012, the Group opened its second property under the "Quest" Brand. QHCC Cebu is a 468-key hotel in FLI's Grand Cenia Development in Cebu City. The hotel is located in the Cebu Business Park and includes ten meeting rooms, a 300-seat capacity all-day dining restaurant and a swimming pool. The hotel is being operated and managed by CHI through Property Specialists Resources, Inc. ("**PSRI**"), a wholly owned subsidiary of FLI. The ten meeting rooms and the restaurant are managed by CHI through Quest Restaurants, Inc. ("**QRI**"), a wholly owned subsidiary of FHC.

3. Crimson Hotel Filinvest City, Manila ("CFCM")

In March 2013, the Group opened its third property, CFCM, in Alabang. The property is directly owned by Filinvest Alabang, Inc. ("FAI") and managed by CHI through Entrata Hotel Services, Inc. ("**EHSI**" or "**Entrata**") which was incorporated on November 28, 2012. The hotel is part of the Entrata Urban Complex and features 345 keys, extensive meeting facilities, five food and beverage outlets, a gym, a spa and a swimming pool, with plans to enhance amenity areas and to add new 4,000 sq.m. of meeting spaces and three food outlets. EHSI is partially owned by FHC (76.9%) and FAI (23.1%).

4. Crimson Resort and Spa Boracay ("CRSB")

In November 2018, FHC through its wholly owned subsidiary, Boracay Seascapes, Inc. ("**BSI**"), commenced soft operations for CRSB. The resort is designed by leading resort designers and is located in a secluded cove in Barangay Yapak, at Boracay Island in the Philippines. CRSB features 192 keys, including 23 pool villas, a grand ballroom, four food and beverage outlets, a gym, a spa and a swimming pool. BSI was incorporated on December 28, 2012.

5. Quest Plus Hotel and Conference Center, Clark and Mimosa Golf, Clark ("QHCC Clark")

On January 27, 2016, the Group was given a Notice of Award by the Clark Development Corporation for the lease, development, operation and management of the former Mimosa Leisure Estate, a 201.6-hectare property located in Clark Freeport Zone approximately 100 km north of Metro Manila, with 303 rooms, a 130-hectare, 36-hole golf course and other various estate improvements. In April 2016, Filinvest Mimosa, Inc. ("**FMI**") entered into a 50-year lease agreement (renewable for an additional 25 years) with CDC in relation to the Mimosa Leisure Estate. The lease agreement requires FMI to invest at least ₱5 billion over a period of five years. FMI is owned by FDC (47.5%), FLI (47.5%) and CDC (5.0%). Shortly after the signing of the lease agreement, the estate was relaunched as Filinvest Mimosa+ Leisure City.

In May 2016, Mimosa Cityscapes Inc. ("**MCI**"), a wholly owned subsidiary of FHC was formed to sublease the hospitality components of the Filinvest Mimosa+ Leisure City. In June 2016, MCI signed a sublease agreement with FMI following the terms of the lease between FMI and CDC. Over the lease period, MCI will operate the existing hotel and golf courses of the estate and has the right to develop the leased portion of the estate. Following the execution of the sublease agreement, MCI rebranded the existing hotel and golf course to Quest Plus Hotel and Conference Center, Clark and Mimosa Golf, Clark and began to undertake a comprehensive renovation, rehabilitation and expansion of the facilities. During the ASEAN Summit in November 2017, its property QHCC Clark showcased the opening of the grand villas, the newly-refurbished hotel rooms and the event facilities. The Group is currently renovating the existing QHCC Clark and its two championship golf courses, and expanding one of the hotel wings to include an additional 417 keys.

6. Nature Specialists, Inc ("NSI") doing business as Timberland Highlands Resort ("THR")

Nature Specialists, Inc ("NSI") doing business as Timberland Highlands Resort ("THR"); Quest Hotel Timberland ("QHT") and Timberland Mountain Bike Park ("TMBP") - the legal entity in charge of Timberland Highlands Resort ("THR"). The company was established in August 2018 to oversee the management of the TSNC building and operations of TSNC. In August 2019, the hotel group took over from Timberland Sports and Nature Club and The Leaf buildings. NSI is 75% owned by

Filinvest Land Inc. (FLI) and 25% owned by Filinvest Hospitality Corporation (FHC). The newly renovated 71 rooms have been operational since February 2021.

Operational Metrics

The table below summarizes the average occupancy rate and average daily rate of the Group's operating hotels, for the years ended December 31, 2019, 2020 2021 and 2022 based on the Group's internal data:

	2019	**2020**	**2021**	**2022**
Average Daily Rate	Php 4,900	Php 3,400	Php 2,500	Php 2,740
Average Occupancy Rate	47%	46%	24%	49%

Chroma Hospitality

In 2008, FDC and AIPL established CHI as a joint venture to independently manage the Group's hospitality projects. CHI is 60% owned by FDC and 40% owned by AIPL. CHI provides a comprehensive range of design, consulting, technical, marketing, training, operations and management services for the Group's hospitality businesses. CHI has built a hotel management team with a significant percentage of expatriates holding General Manager, Executive Chef and key positions in CHI to ensure the Group's hospitality properties adhere to international standards.

As of December 31, 2021, CHI manages a total of 1,841 keys across the Group's six existing hotel and leisure properties: Crimson Resort and Spa Mactan, Quest Hotel and Conference Center, Cebu, Crimson Hotel Filinvest City, Manila, Quest Plus Hotel and Conference Center, Clark and Mimosa Golf, Clark, Crimson Resort and Spa Boracay, and Quest Hotel Tagaytay. By 2023, the Group expects the number of rooms under CHI's management to increase by approximately 3,500, bringing the total of rooms under management to approximately 5,000.

FORA SERVICES INC. (FOSI)

OVERVIEW

The Company was incorporated as "Fora Services, Inc." on August 24, 2018, as a domestic corporation primarily engaged in the business of operating and managing real estate projects and rendering hospitality-related services, particularly, the Quest Hotel Tagaytay Project. It has engaged the services of Chroma Hospitality Inc, a full-service management company to manage the day-to-day operations of the Condotel Project.

On September 13, 2019, the Securities and Exchange Commission approved the change of corporate name of the Company to "Fora Services, Inc., Doing Business as Quest Hotel Tagaytay".

At incorporation, it has an authorized capital stock of one million six hundred thousand Pesos (Php1,600,000), divided into 16,000 common shares with a par value of one hundred Pesos (Php100) per share. As of the date of this Prospectus, 4,000 common shares of the Company are fully-issued and outstanding. The Company is a wholly-owned subsidiary of FHC. FHC is a wholly owned subsidiary FDC. The Filinvest Group evaluates, from time to time, its group structure to ensure the attainment of its corporate goals and strategies. In this regard, the Filinvest Group may undertake a corporate restructuring, including the transfer of ownership of its subsidiaries and affiliates, including the Company, within the Filinvest Group.

The Company was formed to manage and operate the Condotel Project. For this purpose, the Company seeks to issue Certificates of Participation that require all prospective buyers to contribute the right to use and possess the Condotel Units, to pay the Joining Fee and assign membership rights in the Condominium Corporation.

The land on which the Condotel Project stands on is a portion of the property covered by Transfer Certificate Title Nos. 076-2018001092 and 076-2018001093, both issued by the Registry of Deeds for Tagaytay City, in the name of the owner, Filinvest Land, Inc. There are no mortgages, liens or encumbrances on the said land.

As of March 31, 2022, the Company has already sold sixty-three (63) condotel units. As of May 10, 2023, there are fifty-nine (59) active accounts of Condotel Unit sales. The reduction in the number of active accounts from the initial number of 63 was due to the requests for refund initiated by some buyers. However, until and unless the purchase price of a Unit is fully paid, the CCT over such Unit shall remain with the Developer. Upon such full payment, title shall be transferred in the Unit Owner's name. Meanwhile, the common areas within the Condominium shall be issued in the name of the Condominium Corporation.

The Developer will cause the incorporation of the Condominium Corporation.

The Condominium Corporation will be incorporated as a non-stock and non-profit corporation for the primary purpose of:

"To own and hold title to all the common areas and limited common areas of the condominium project known and identified as Fora Condotel (the "Project"), located at Emilio Aguinaldo Highway, Silang Crossing East, Rotunda, Tagaytay City, Cavite 4120, which Project has been constituted pursuant to the provisions of the Condominium Act and brought in operation in accordance with the Master Deed with Declaration of Restrictions ("Master Deed") executed by Filinvest Land, Inc. (the "Developer"); and to manage the Project by doing all acts, matters, and deeds, incidental, necessary or desirable, for and in connection with the foregoing purpose, not being contrary to the provisions of the Condominium Act."

By virtue of their ownership of a unit, the buyers shall automatically be members of the Condominium Corporation and entitled to the following rights, subject to the terms and conditions of the MDDR, AOI, the By-Laws, and the CPA:

a. Right to vote and be voted for as a member of the Board of Trustees, if a member in good standing;
b. Right to participate and vote for corporate actions in annual membership meetings or special meetings called for a specific purpose;
c. Such other rights granted by the Revised Corporation Code.

Further, the Developer, as owner of the unsold units, shall be entitled to appoint two (2) members of the Board of Trustees for as long as there are unsold units in the project.

The incorporation of the Condominium Corporation is yet to be concluded. The Articles of Incorporation and the By-Laws are being revised to conform to and be aligned with the provisions of this Prospectus, the Registration Statement, MDDR, and the CPA to be executed between the Issuer and the Buyers. As of date of this Prospectus, the name of the condominium corporation has already been reserved and all the necessary documents for the registration will be submitted as soon as possible.

As of date, no Certificates of Participation have been issued; such Certificates will only be issued upon approval of the Registration Statement by the SEC, and after the buyer meets the relevant qualification criteria.

OPERATING INFORMATION

The Condotel Project has been operational for a limited period of 8.5 months in 2020, and 9 months in 2021. The main source of revenue for this two-year period is the quarantine business, and about 25% thereof accounts for business and leisure. The pandemic caused the average monthly revenue to decrease by 16% in 2020 and 26% in 2021. The company generated net income amounting to P2.5 Million and P3.2 Million in 2021 and 2020, respectively.

During this limited operation period in 2020 and 2021, only the unsold units in the Condotel Project were used for reservation and operating purposes. Thus, the sixty-three (63) condotel units that were already sold were excluded from the limited quarantine operations.

SUBSEQUENT EVENTS

Operations in 2020

After the Taal Volcano eruption, Quest Hotel Tagaytay resumed its soft operations on the third week of February 2020 until March 13, 2020. Quest Hotel Tagaytay only operated or used the unsold units for reservation and operating purposes. Due to the Covid-19 pandemic, Quest Hotel Tagaytay was closed from March 14, 2020 to April 10, 2020.

Operations resumed on April 11, 2020 when Quest Hotel Tagaytay was accredited and utilized as a quarantine facility. It operated as a quarantine facility until January 10, 2021.

Operations in 2021

Quest Hotel Tagaytay resumed soft operations on May 22, 2021. There were intermittent closures of varying durations during the intervening months due to heightened Taal alert level and to strict travel restrictions imposed by the LGU until end of August. FOSI anticipated further disruptions to operations due to further travel restrictions, hence it applied to operate Quest Hotel Tagaytay as a multi-use hotel to be able to expand its market options. Quest Hotel Tagaytay was awarded its certificate to operate as a multi-use hotel in September 2021. Thus, it was able to accommodate guests using the unsold units of the Condotel Project, for quarantine in September and October 2021, which helped mitigate operating losses.

Operations in 2022

Quest Hotel Tagaytay started 2022 with another pandemic surge that led to low income in January. February to June had registered significant increase in revenue coming from leisure and government segment. Though it's noteworthy that May was badly affected by the national election due to fund restrictions implemented to government agencies. Travel and Tours production is slowly improving but still very far from pre pandemic level. Corporate segment has not yet fully recovered due to new normal practices being implemented by their management

PROPERTY

The Fora Rotunda Tagaytay Township

The Condotel where FOSI will operate the Condotel Project is located in the FLI's 5.2-hectare township project called the Fora Rotunda Tagaytay, in Tagaytay City, Philippines. The township consists of various lifestyle components such as the (i) Fora Tagaytay Mall, a Filinvest Lifescape Mall, (ii) the Forest, a 3,000+ sq.m. landscaped open space, (iii) the Condotel and (iv) future residential condominiums and/or condotels to be constructed.

Aerial Perspective of the Fora Rotunda Tagaytay

Project Site Development Plan of the Fora Rotunda Tagaytay

The Fora Rotunda Tagaytay is accessible via Aguinaldo Highway from Cavite, the Tagaytay-Silang Highway from the Laguna provinces and the Tagaytay-Nasugbu Highway for visitors coming from the towns of Calatagan, Lian and Nasugbu, Batangas.

Quest Hotel Tagaytay

Located at Tagaytay City's landmark rotunda, the Condotel will be operated under the Quest brand and will be comprised of Condotel Units sold by FLI and operated and managed as a condotel by the Issuer, either by itself or through its third party operator. The Issuer may, at its sole discretion, change the brand and/or its third party operator if deemed beneficial to the Condotel Project.

The 164-room Condotel with an average of 17 units per floor over 10 floors is the first of four towers located within Fora Rotunda Tagaytay. The construction of the Condotel commenced on December 1, 2015 and was completed in September 2019. The Housing and Land Use Regulatory Board ("**HLURB**") issued License to Sell No. 029849 in favor of FLI on August 3, 2015.

The room types are summarized as follows:

Room Type	Area in Sqm	No. of Units
Studio 23	23	63
Studio 27	27	61
Studio 29	29	18
Suite 44	44	18
Suite 54	54	4
TOTAL		**164**

Actual Photo of a Studio 23, 27, and 29 Unit (Deluxe King variant) [3]

[3] Studio types 23, 27, and 29 have similar furnishings and arrangement, but differ in room size.

Actual Photo of a Studio 23, 27, and 29 Unit (Twin-Deluxe variant)[4]

Actual Photo of a Suite 44 Unit

[4] Studio types 23, 27, and 29 have similar furnishings and arrangement, but differ in room size.

Actual Photo of a Suite 54 Unit

Main Features of Certificate of Participation

The Certificate of Participation allows the Issuer to operate the Condotel Project which will entitle the Certificate Holders to certain rights.

1. Room Use Privilege

The Certificate Holders will be entitled to avail room nights in the Condotel Project up to a maximum of fourteen (14) nights per calendar year, subject to terms and conditions stated in this Prospectus. Should the Condotel be forced to temporarily close during the calendar year, for reasons not attributable to the fault or negligence of the Issuer, the Room Use Privilege shall be reduced in such number of nights proportionate to the period when the Condotel was forced to temporarily close.

2. Distributable Participation Interest

The Certificate Holders shall receive a Distributable Participation Interest, subject to the terms and conditions stated in this Prospectus. Under conditions of positive income, it may allow the Certificate Holder to cover Condotel Expenses and to a certain extent, defray Owner Expenses.

3. Obligations of the Company with respect to Securities

The Company will have the following obligations to the Certificate Holders:

a. The Company, either by itself or through third-party operators, provide the necessary tools, personnel, and technology to conduct the business of a hotel within the Condotel and perform the management and operational functions of the Condotel Project.

b. The Company shall issue a Certificate of Participation in favor of the Certificate Holder upon satisfaction of the Eligibility Requirements.

c. The Company shall maintain a registry book (“Registry”) containing the official information on the Certificate Holders, including the class of Certificates they hold, as well as transfers or assignments thereof. Only Certificate Holders appearing in the Registry as of the end of each Payment Cycle shall be entitled to receive their Distributable Participation Interest.

d. To remit and distribute the Net Final Share in Participation Interest on or before the Payment Date, if any;

e. The Joining Fee, which will be booked as a liability in the Company's books, will be returned at the end of the Term of the Condotel Project without interest.

Professional Management

General Operations

The Condotel Project is being professionally managed by CHI, pursuant to a management contract with the Company. CHI is a full-service management company and has a full complement of corporate staff and established policies and procedures which will provide oversight and guidance to the Condotel Project staff. CHI's corporate services include: human resources, e-commerce, sales and marketing, technical services, finance, accounting, IT, and other related services. This will help ensure that the Condotel Project is operated and maintained to best-in-class hotel standards.

Revenue Management, Sales and Marketing: Online and Offline Distribution

Revenue management, sales and marketing of the Condotel Project will be handled through a combination of CHI corporate resources and on-site Condotel Project personnel. The goal of revenue management, sales and marketing efforts will be to maximize revenues for the Condotel Project and utilize all available online and offline distribution channels and target all the appropriate market segments. CHI will leverage its know-how and relationships with the various market participants to be able to effectively and efficiently distribute the Condotel Project inventory.

Competitors

FOSI faces significant competition in the Tagaytay City's hospitality market. FOSI competes with local hospitality developers, serviced residences, boutique bed and breakfast establishments, and private investors/individuals listed on online lodging platforms. Major competitors of FOSI include the SM Development Corp., Alveo Land, Cityland Group and privately-owned vacation homes.

The Quest Hotel Tagaytay is perfect for travellers looking for consistent services and for a cool, clean, and comfortable accommodation and experience. The Condotel is designed to have 50% of the total Units facing the lush landscape of the development and the other 50% has a view of the city. The Units are slightly bigger than the competition and majority of the Units are with balcony. The Condotel Project is located in the FLI's 5.2ha township project - Fora Rotunda Tagaytay which consists of various lifestyle components such as (i) Fora Lifemalls Tagaytay, (ii) the Forest, a 3,000+ sqm landscaped open space (iii) the Condotel and (iv) the future residential condominiums and/or condotel.

Other direct competitors are residential developments with units owned by investors or private individuals listed on various online booking platforms.

Some of the competitors include:

- Tagaytay Prime Residence by City Land Group

  Tagaytay Prime Residence is situated at the Tagaytay Prime Rotunda, Brgy. San Jose, Tagaytay City. The project consists of two (2) condominium buildings rising 21- storey high. Units available are commercial and residential units in 1-bedroom, 2-bedroom, and 3-bedroom.

- Kasa Luntian Serviced Apartment by Alveo

  The serviced residences at Kasa Luntian is situated _at the Tagaytay - Calamba Road, Barangay San Jose. It features outdoor swimming pools, a garden, and free parking on-site. The rooms come with a balcony, flat-screen cable TV and a fully-equipped kitchen with a dining area, while other rooms come with a sofa seating area. Online streaming service is available in selected rooms. The en suite bathrooms come with free toiletries and a hairdryer.

- Wind Residences by SM Development Corporation

  This development is situated along Aguinaldo Highway in Tagaytay City. It is in its own, a convenient complex with everything you can ever need, but it's also a plus that there are dining establishments nearby. It features country club amenities like the clubhouse, indoor and outdoor swimming pools, tennis court, and basketball court.

Transactions with Related Parties

The Company is a wholly-owned subsidiary of Filinvest Hospitality Corporation, a member of the Filinvest Group. The Company, in its ordinary course of the business, may engage in the following transactions with the Filinvest Group:

- Maintain its cash and cash equivalents with Eastwest Banking Corporation, an affiliate under the Filinvest Development Corporation umbrella;
- Maintain its Management Agreement with Chroma Hospitality Inc., an affiliate, to undertake the operations of the Condotel in return for a monthly base management fee, incentive management fee, e-commerce fee, sales and marketing fees and other related hotel operating fees;
- Enter into a Service Agreement with FHC as the owner representative;
- Enter into lease agreements with FLI and/or FHC;
- Secure cash advances and incur various intercompany charges.

Intellectual Property Rights

The Condotel will be operated under the Quest brand owned by CHI. The terms and conditions of all patents, trademarks, and license agreements is in conjunction with the Management Agreement. Termination or expiration of the Management Agreement will automatically result to the termination of such intellectual property agreements.

The Intellectual Properties covered by the Management Agreement are summarized below:

Brand Name/Mark/Logo	Registration Number	Application Serial No.	Filing Date	Registration date	Expiration Date
Quest	507791	42021507791	March 31, 2021	June 25, 2021	June 25, 2031

While the Condotel will be operated under the Quest Brand owned by CHI pursuant to the Management Agreement, the Issuer may, at its sole discretion, change the brand and/or its third party operator if deemed beneficial to the Condotel Project.

Insurance

The Filinvest Group's hospitality properties are insured in line with industry standards, including coverage for replacement cost of property damage, business interruption insurance should there be interruption in property operations for a period of 12 months, and comprehensive liability insurance to cover third party liability including the guests of the property. Other types of insurance may be purchased as deemed necessary for the protection of the Company and the operations of the Condotel Project.

Suppliers

The Company is not dependent upon any one or a limited number of suppliers. The Company's top five (5) suppliers in 2021, in relation to the total percentage of accounts covered are provided below:

- Corporate Technologies, Inc - 5%
- Golden Gate Security and Investigation Services, Inc - 5%
- Primewater Infrastructure Corp - 4%
- Servika Philippine Inc - 3%
- Jumpin Wash Laundry - 3%

The following are the top five suppliers for the year 2022.

- Filinvest Land Inc. – 12%
- Chroma Hospitality Inc.- 10%
- IKEY Local Agency Corp- 4%
- Jumpin Wash Laundry- 3%
- Golden Gate Security and Investigation Services, Inc - 3%

Customers

For the Company's limited operation period for the past two (2) years since the pandemic as a quarantine facility, the Overseas Workers Welfare Administration ("OWWA") has been the major customer. In 2020 and 2021, the Company entered into agreements with various other government agencies as a COVID-19 quarantine facility. The Company's top five (5) customers in 2021, in relation to the percentage of total accounts are provided:

- Overseas Workers Welfare Administration - 67%
- Department of Environment and Natural Resources - 9%
- RTI International - 4%
- Philippine Charity Sweepstakes Office - 2%
- Juan Pasyal Travel & Tours - 2%

The following are the top five customers for the year 2022.

- Tagaytay Highlands- 16%
- Education Development Center USAID- 15%
- Relief International - 11%
- USAID- 11%
- National Economic and Development Authority (NEDA)- 9%

Permits and Licenses

The company and/or its related parties have obtained all government approvals, permits, and licenses issued by the appropriate Government agencies or authorities, which are necessary to conduct its business and operations. The Company does not expect difficulties in renewing expired permits which are in the process of renewal and, as per the ordinary course of business, are considered valid until their renewal application is rejected. Detailed below are all of the major permits and licenses necessary for the Company to operate its business, the failure to possess any of which would have a material adverse effect on our business and operations:

Permits	Licensee/Registrant	Issuing Authority	Permit Number:	Issuance Date	Expiration Date
Business Permit	FORA Services, Inc.	Tagaytay City	**2023-01952**	**26 January 2023**	31 December 2023
License to Sell	Filinvest Land, Inc. (Developer)	DHSUD (formerly HLURB)	No. 029849	3 August 2015	No expiry date.
Certificate of Registration	Filinvest Land, Inc. (Developer)	DHSUD (formerly HLURB)	No. 26506	3 August 2015	No expiry date.
Certificate of Occupancy	Filinvest Land, Inc. (Developer)	City Engineer's Office of Tagaytay City	No. 854-18274	10 December 2018	No expiry date.
Development Permit	Filinvest Land, Inc. (Developer)	DHSUD (formerly HLURB)	No. 14-08-001	20 October 2014	No expiry date.
Environmental Compliance Certificate	Filinvest Land, Inc (Developer)	DENR	No. ECC R4A-1409-0574	18 November 2014	No expiry date.

a. DHSUD License-to-Sell

FLI has a pending application with the DHSUD to amend its LTS to cover the additional condotel units with LTS or from 159 to 164 total, necessitated by the conversion of six (6) one-bedroom units into twelve (12) studio units. On July 30, 2021, FLI submitted and complied with DHSUD's request to be given an updated project fact sheet stating 100% completion of buildings and units, and sales status report and paid the corresponding alteration fee. The submission was received by DHSUD on August 12, 2021. The Company is now waiting for DHSUD to schedule their building inspection including the additional units.

While the DHSUD LTS serves to authorize the sale of the condotel units, the approvals relating to the Certificates of Participation will be issued by the Commission, and not the DHSUD. On this matter, Presidential Decree No. 957, under section 5 thereof, requires an owner or dealer to obtain a "license to sell" from the HLURB in the event that it intends to sell condominium units in a registered project. In this case, the Company has already obtained a License to Sell and a Certificate of Registration with the HLURB.

Nonetheless, pending the approval of the application for the amended LTS, the Developer will only be selling such number of units corresponding to the current LTS.

b. DENR Environmental Compliance Certificate

The Fora Condotel Project has been granted an ECC. From construction up to completion and operation, the condotel has not been involved or cited for an environmental violation. The Fora Complex, where Fora Condotel belongs, operates a sewage treatment plant (STP) for the complex that is managed by a duly trained and licensed Pollution Control Officer that regularly submits a Compliance Monitoring Report

(CMC) to DENR-Region 4A, and concerned agencies. All its waste water discharges are being treated thru this STP. The building also is provided with an MRF (materials recovery facility) where all the condotel solid wastes are collected and segregated prior to disposal.

Effect of Government Regulations on the Company's Business

In the operation of the Condotel Project, the Company ensures that it remains compliant with government regulations dealing with operation of a hotel business. Laws dealing with hotel enterprises include the following:

a. Philippine Tourism Act (RA 9593) and Department of Tourism Certificate of Accreditation RA 9593, or the Philippine Tourism Act of 2009.

Based on the foregoing laws, primary tourism enterprises, such as accommodation establishments (e.g., hotels and resorts), are required to secure accreditation from the Department of Tourism ("**DOT**"). A DOT Certificate of Accreditation is a precondition to the issuance by the pertinent LGU of a license or permit to operate a primary tourism enterprise. Moreover, only accredited enterprises are entitled to participate in the DOT's promotional, training and other programs.

b. Hotel Code of 1987

The DOT promulgated the Hotel Code of 1987 in order to govern the business and operation of all hotels in the Philippines. Investors who wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification.

For further information on the regulatory framework that affects the Company's business, please refer to page 60 of this Prospectus, under the section "**Regulatory Framework**".

Environmental Laws

The costs of compliance with environmental laws incurred by the Company are not substantial and are already included in securing the necessary permits, licenses and hotel operating expenses. The Company is compliant with all existing regulations and will ensure continuous compliance.

Employees

As of date of this Prospectus, the Company has 40 total employees, comprised of 20 regular employees, and 20 contractual employees.

DESCRIPTION OF THE OFFER

Set forth below is information relating to the Offer and the features of the Certificates of Participation. This information is only a summary and is further qualified by reference to the applicable laws and regulations within the Philippines, the Articles of Incorporation and By-Laws of the Issuer, as may be amended from time to time, and the Master Deed of the Fora Condotel, as may be amended from time to time.

1. Offer Structure

Pursuant to the Condotel Development Agreement ("**CDA**") executed between the Issuer and FLI on August 20, 2019, FLI, as the developer of Fora Rotunda Tagaytay, shall have the primary obligation of constructing the condominium building, consisting of furnished Condotel Units, amenities and all other appurtenances, and selling the same to the public through its network of accredited agents and registered real estate brokers. On the other hand, the Issuer shall have the right to take over physical possession of the furnished Condotel Units as well as its common areas (such as, but not limited to the main lobby, lounge and reception area) and operate a condotel business therein, whether by itself or through third-party contractors.

The contract to sell between FLI and the buyers of the Condotel Units stipulates an additional condition that the condominium unit subject of the purchase shall be exclusively utilized for the operations of the Condotel Project. Accordingly, the buyers of the Condotel Units are obliged to contribute the right to use their Condotel Units to be operated by the Issuer (by itself or through third-party contractors), to pay a one-time Fit-Out Fee and Joining Fee and to execute the Condominium Participation Agreement ("**CPA**") with the Issuer. The Unit Owners' participation interest in the Condotel Project shall be evidenced by Certificates.

The buyers of the Condotel Units are likewise obliged to contribute their membership rights in the Condominium Corporation of the Condotel to be formed pursuant to Section 10 of the Republic Act No. 4726.

The description of and the terms and conditions of the Certificates as set out below includes summaries of, and is subject to, the detailed provisions of the CPA, the Master Deed of the Fora Condotel and the Articles of Incorporation and By-Laws of the Condominium Corporation, as the same may be amended from time to time.

2. Certificates of Participation

On March 1, 2019, the Board of Directors of the Issuer authorized, through a resolution unanimously approved, the issuance of 164 Certificates of Participation in the Condotel Project (the "**Offer**"). Each of the Certificates corresponds to the 164 Units in the Condotel, classified further on the basis of room types / unit categories, broken down as follows:

Class	No. of Certificates Per Class
Studio 23	63
Studio 27	61
Studio 29	18
Suite 44	18
Suite 54	4
TOTAL	**164**

In addition to the grant of the right to use and possess the Condotel Units, the Unit Owners shall pay the Issuer a Joining Fee in the form of the Offer Price. The Offer Price for each class of Certificate of Participation is computed based on the value of the Joining Fee that corresponds to the type of Condotel Unit purchased.

The Offer Price for each class of Certificate of Participation is as follows:

Class	**Offer Price Per Class**
Studio 23	Php187,700
Studio 27	Php220,400
Studio 29	Php236,700
Suite 44	Php359,100
Suite 54	Php440,700

The Issuer shall deliver the Certificates upon full payment of the Offer Price by the initial Certificate Holder/s on issue date (the "**Issue Date**"). To the extent that Unit Owners are not yet eligible to become Certificate Holders on Issue Date, the Certificates pertaining to their Condotel Units shall be issued to the Developer. After the Issue Date, as and when a Unit Owner becomes qualified to hold a Certificate by satisfying the Eligibility Requirements, the Developer shall transfer the corresponding Certificate to the relevant Unit Owner upon full payment by the latter of the Joining Fee.

The Issuer may cause the annotation of the Certificate Holder's rights and obligations under the CPA, including the annotation of the Master Deed, on the corresponding CCT covering the Condotel Unit. The Certificate and the CCT may not be transferred, assigned, encumbered, or alienated separately by the Certificate Holder. This is based on the principle that the accessory follows the principal such that the purchase of the Condotel Unit being the principal, gives the buyer the right to participate in the Condotel Project, subject to the satisfaction of the other Eligibility Requirements as defined herein.

In the event that a Certificate Holder defaults in its obligations under the CPA with respect to the Condotel Unit, which default may result in the foreclosure of the Condotel Unit, the Certificate pertaining to such defaulted Condotel Unit shall transfer to whoever shall subsequently acquire or own the relevant Unit. The Developer shall have a right of first refusal over the Condotel Unit and the Certificate. Any transfer of the Certificate without observing this requirement shall not be registered in the Registry.

3. Payment Terms for the Joining Fee

On Issue Date, all Unit Owners (including the Developer) who have complied with the Eligibility Requirements, including the payment of the Offer Price in full in Pesos, shall submit the duly completed and signed application form and signature card together with the requisite attachments. Payment for the Certificates shall be made either by: (i) a personal or corporate check drawn against an account with a BSP authorized bank at any of its branches located in Metro Manila; (ii) a manager's or cashier's check issued by an authorized bank; or (iii) a debit-credit instruction via Real Time Gross Settlement or direct bank fund transfer in favor of the Issuer. Checks subject to clearing periods of over three banking days shall not be accepted. All checks should be made payable to "FORA Services, Inc." crossed "Payee's Account Only", and dated the same date as the application. The Applications and the related payments will be received at the offices of the Issuer.

Unit Owners shall pay the Joining Fee through any of the following payment schemes:

Payment Term	**Condominium Unit**	**Certificate of Participation**
SPOT Cash	SPOT Full Payment with 8% Discount	SPOT Full Payment
Cash in 30 days	Full Payment in 30 days with 5% Discount	Full Payment in 30 days

Deferred Cash	24 Equal Payments	5 Equal Payments
In-house Financing	20% DP in 24* Equal Payments; 80% payable in 5,7,10 years	24* Equal Payments
Bank Financing**	20% DP in 24* Equal Payments; 80% bank takeout	24* Equal Payments

**** 24 month payment term to be shortened to 18 month payment term 18 months prior to building completion and further shortened to 12 months payment term 12 months prior to building completion***" and
***** Banks to be identified by the Developer***

Payment Financing Schemes	Definition	Internal Jargon
One Time Cash Payment	The client purchases the unit and pays for it in full in a single payment in cash	Spot Cash
Short Term Zero Interest Payment	The client purchases the unit and pays for it in 24 equal installments or less at zero interest	Deferred Cash
In-house Developer Financing	The client purchases the unit and pays for it in greater than 24 months to a maximum of 120 months with interest. The interest will vary depending on the length of the term availed.	Inhouse Financing
Bank Loans	The client purchases the unit and pays for it in full by applying and securing approval for a loan with a local bank. The bank will in turn pay the developer in full one time for the price of the property. The client in turn will now be paying the bank directly for the loan on whatever agreed term/s they have agreed on.	Bank Financing

After Issue Date, subsequent Certificate Holders shall pay an Administrative Fee for the transfer of the Certificates.

4. Entitlements of Certificate Holders

In consideration of the contribution of the Condotel Units and the payment of the (i) Joining Fee; and (ii) Fit-Out Fee, Certificate Holders shall have the following rights and benefits:

- Payment of Distributable Participation Interest on an annual basis, subject to the terms hereof and the CPA. Only Certificate Holders indicated in the Registry as of the end of each Payment Cycle shall be entitled to receive the Distributable Participation Interest.
- Maximum of fourteen (14) nights Room Use Privilege in the Condotel Project per calendar year including use of the hotel amenities and facilities. Should the Condotel be forced to temporarily close during the calendar year, for reasons not attributable to the fault or negligence of the Issuer, the Room Use Privilege shall be reduced in such number of nights proportionate to the period when the Condotel was forced to temporarily close.

a. <u>Distributable Participation Interest</u>

In summary, the Distributable Participation Interest is computed as follows:

	Condotel Revenue
(add)	Interest Income
(less)	Condotel Expenses

	<u>Participation Income</u>
(less)	provision for corporate income tax, provision for repayment of borrowing, provision for working capital requirements, uncollected revenues, prepaid taxes during the period, CAPEX Reserves, reserve for Joining Fee amortization
(add/less)	non-cash transactions
	Total Unadjusted Participation Interest
(multiplied by)	Room Nights Contribution Ratio
	Final Share in Participation Interest
(less)	Distribution Qualifiers
	Distributable Participation Interest

The components and sample computations are discussed and shown below.

a. <u>Final Share in Participation Interest</u>

Certificate Holders shall be entitled to receive an interest on the Joining Fee (the "**Final Share in Participation Interest**") for each Payment Cycle computed using the following formula:

Joining Fee x Participation Interest Rate x Participation Interest Ratio

The Final Share in Participation Interest will be recorded by the Issuer as an interest expense and payable to the Certificate Holders.

The Issuer's obligation to remit and distribute the Final Share in Participation Interest is on or before the Payment Date following the calendar year in which the Final Share in Participation Interest was earned, provided that the Issuer may, upon prior written notice to the Certificate Holders, suspend the distribution thereof, upon the happening of a force majeure event thereby causing or might cause business interruption. For purposes of this Prospectus, business interruption shall include any business slowdown or stoppage that can cause financial losses, not otherwise covered by the Issuer's all-risks insurance, which includes but is not limited to, business interruption insurance coverage. The Issuer shall then allocate the Final Share in Participation Interest to cover business operations for the duration of the business interruption and such amount shall constitute an Assessment for Force Majeure Events whichi is a Distribution Qualifier. The Participation Interest Rate at a given Payment Cycle will be based on prior year's financial operating performance.

The distribution of Final Share in Participation Interest serves as interest payment for the Joining Fee and presumes that the Project has generated positive income, the rate of which shall be dependent on the market conditions, political conditions, average hotel occupancy and overall financial operating performance of the Condotel Project to be determined by the Issuer. The Company makes no guarantee on the potential earnings that will or may be received by the Certificate Holder through the Offer. Subject to compliance with applicable rules and disclosures, the Certificate Holders authorize the Issuer to secure additional funding under such terms and conditions as the Issuer may deem beneficial to the Project, the cost of which shall form part of the Condotel Expenses

An illustration of the computation of the Final Share in Participation Interest is provided below.

Sample Computation of Total Annual Room Revenue

In computing for the **total annual room revenue**, the following assumptions for Year 1 of Condotel Operations were used for each available room type:

Room Type	Room Rate, Gross (in Php)	Room Rate, Nett (in Php)	Occupancy
Studio 23	3,721	2,197	59%
Studio 27 & 29	4,210	2,592	52%
Suite 44	7,421	5,185	46%
1 BR 54	7,421	5,185	50%

The Room Rate, Nett as shown in the table above are indicative rates for Year 1 only and are assumed to be net of all local taxes, service charge, breakfast, and any other adjustments, if any.

Occupancy assumptions are also Year 1 only and may fluctuate upwards or downwards in the succeeding years. The occupancy rates assumed for Year 1 are based on the market studies conducted using the information available during the preparation of this Prospectus.

Room Type	Room Rate, Gross (in Php)	Room Rate, Nett (in Php)	No. of Nights	Nights Occupied	Occupancy	Revenue per Unit (in Php)	No. of Units	Total Room Revenue (in Php)
		A	B	C	D = (C/B) x 100%	E = A x C	F	G = E x F
Studio 23	3,721	2,197	365	215	59%	472,062	63	29,739,910
Studio 27 & 29	4,210	2,592	365	190	52%	491,928	79	38,862,297
Suite 44	7,421	5,185	365	167	46%	864,982	18	15,569,671
1 BR 54	7,421	5,185	365	183	50%	946,677	4	3,786,709
TOTAL							**164**	**87,958,587**

To compute the annual room revenue, the room rate, nett is multiplied by the number of nights the rooms are occupied in one year.

For the sample computation shown above, the total room revenue for the 164 Condotel Units is Php87,958,587

Sample Computation of the Total Unadjusted Participation Interest

Total Unadjusted Participation Interest is computed by adding interest income then deducting therefrom the Condotel Expenses, provision for corporate income tax, provision for repayment of borrowing, provision for working capital requirements, any uncollected revenue, prepaid taxes during the period, CAPEX Reserve, and reserve for Joining Fee amortization from the Condotel Revenue and further adjusted for non-cash transactions. The following assumptions are used for sample computation and illustration purposes only. The Issuer reserves the right to adjust the provision for corporate income tax, provision for working capital requirements, and CAPEX Reserve from time to time based on the Issuer's operating performance and other market conditions.

In Php

Condotel Revenue	87,958,587
Add: Interest Income	-
Less : Condotel Expenses	65,968,940

Participation Income	**21,989,647**
Less:	
Provision for Corporate Income Tax	2,409,689
Provision for Repayment of Borrowings	500,000
Provision for Working Capital Requirements	659,690
Uncollected Revenue	791,699
Prepaid taxes during the period	20,000
CAPEX reserves	2,638,758
(estimated at 3% of Condotel Revenue)	
Reserve for Joining Fee amortization	1,510,268
Add/Less: Non-cash transactions	-
TOTAL UNADJUSTED PARTICIPATION INTEREST	**13,459,543**

- For the 46% to 60% assumed occupancy level in the sample above, total Condotel Expenses is projected to be about 75% of the total Condotel Revenue to arrive at **Participation Income**. The Condotel Expenses would change as a result of varying occupancy levels and other factors related to operations.
- Interest income shall form part of the Participation Income which pertains to interest earned on the cash held in the savings account, certificates of deposits or other investments
- Provision for corporate income tax is computed at 25% of taxable income. For purposes of illustration, the amount is estimated at Php2,409,689.
- Provision for repayment of borrowing is estimated at Php500,000. This pertains to principal and interest repayment, if any, on the additional funding that the Issuer is authorized to secure in the event that the revenue generated from the Project is insufficient to support its operations, under such terms and conditions as the Issuer may deem beneficial to the Project.
- Provision for working capital requirements serves as replenishment for any depletion in the working capital fund balance, amount of which is equivalent to three-month Condotel Expenses. This serves as the minimum cash requirement to be maintained at any point in time to sustain the Condotel Operations. The Issuer reserves the right to review and adjust the working capital requirement as deemed necessary.
- Uncollected Revenue is estimated at Php791,699. This pertains to accounts receivable at the end of each accounting period or Payment Cycle from corporate clients, travel agencies and other accounts which were granted payment terms of 30-60 days or more.
- Prepaid taxes during the period is estimated at Php20,000. This pertains to unutilized creditable withholding tax and excess input VAT at the end of each Payment Cycle.
- CAPEX Reserve is estimated at 3-10% of the Condotel Revenue. The amount may vary from year to year depending on the age of the property at the time the reserve is made.
- Reserve for Joining Fee amortization is estimated at Php1,510,268. For purposes of this sample computation, the total Joining Fee is amortized over a period of twenty-five (25) years.

Using the total room revenue for the 164 Condotel Units of Php87,958,587 and applying the above-mentioned assumptions, the resulting total Unadjusted Participation Interest of the pool amounts to Php13,459,543 This amount shall be divided by the total Joining Fee to compute the Participation Interest Rate.

Sample Computation of the Unadjusted Participation Interest and Final Share in Participation Interest

The table below shows the sample computation for the Unadjusted Participation Interest and Final Share in Participation Interest per Certificate Holder using the assumptions as enumerated:

Certificate Holder	Joining Fee (in Php)	Participation Interest Rate	Unadjusted Participation Interest (in Php)	Room Nights Available *	Room Use Privilege availment	Room Nights Contribution	Room Nights Contribution Ratio	Adjusted Participation Interest	Participation Interest Ratio	Final Share in Participation Interest (in Php)
	A	**B = Total Unadjusted Participation Interest / Total Joining Fee**	**C = A x B**	**D**	**E**	**F = D - E**	**G = F / D**	**H = C x G**	**I = H / Total H**	**J = I x Total C**
Studio 23										
Unit 1	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 2	187,722	35.6%	66,919	365	14	351	96%	64,353	0.48%	65,208
Studio 27										
Unit 64	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 65	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Studio 29										
Unit 125	236,694	35.6%	84,377	365	0	365	100%	84,377	0.64%	85,498
Unit 126	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Suite 44										
Unit 143	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 144	359,121	35.6%	128,020	365	14	351	96%	123,110	0.93%	124,746
Suite 54										
Unit 161	440,740	35.6%	157,115	365	0	365	100%	157,115	1.18%	159,204
Unit 162	440,740	35.6%	157,115	365	14	351	96%	151,089	1.14%	153,097

- *Room nights available is 366 on a leap year*

- Two units per room type are used for illustrative purposes but the same computation applies for each of the 164 units. Please see Annex A for sample computation for all the 164 units

- Participation interest rate is computed by dividing the Total Unadjusted Participation Interest by the Total Joining Fee. Based on the sample figures in the preceding table, the resulting Participation Interest rate is 35.6% (Php13,459,543 / Php37,756,700)

- The base room nights available for each Certificate Holder in each Payment Cycle is 365 nights

- It was assumed that some Certificate Holders will use all or portion of their Room Use Privilege during the Payment Cycle, while others will not use the same privilege at all.

- The Room Nights Contribution is derived by deducting the enjoyment of Room Use Privilege and the number of nights the Condotel was forced to temporarily close during the calendar year for reasons not attributable to the fault or negligence of the Issuer, from the base figure of 365 nights. To obtain the Room Nights Contribution Ratio, the Room Nights Contribution is further divided by 365 nights less the number of nights the Condotel was forced to temporarily close during the calendar year for reasons not attributable to the fault or negligence of the Issuer.

- The Adjusted Participation Interest pertains to Participation Interest adjusted for enjoyment of Room Use Privilege for each of the Unit Owner. This is computed by multiplying the Unadjusted Participation Interest by the Room Nights Contribution Ratio for each of the unit.

- A Participation Interest Ratio will then be computed to proportion the final share of each Unit Owner to the Total Participation Interest based on the Adjusted Participation Interest. The formula is Adjusted Participation Interest of each unit divided by the total Adjusted Participation Interest for all units.

- The Final Share in Participation Interest can now be computed by multiplying the Total Unadjusted Participation interest by the Participation Interest Ratio for each Certificate Holder.

The Final Share in Participation Interest is distributed to all Certificate Holders on every Payment Date, provided that any such Participation Interest that may be received by a Certificate Holder shall first be applied against any Distribution Qualifiers, provided further that the Issuer may upon prior written notice to the Certificate Holders, suspend the payment of the Final Share in Participation and/or its application against any Distribution Qualifiers, upon the happening of a force majeure event thereby causing or might cause business interruption. These Distribution Qualifiers as mentioned above may be imposed to cover expenses for the duration of the business interruption due to force majeure events and in the course of the operations of the Condotel Project and will form part of the annual eligibility assessment in computing the Distributable Participation Interest.

Sample Computation of Distributable Participation Interest

In Php

Final Share in Participation Interest (Studio23 Unit 1)	67,809
Less:	
Amounts due to Developer, if any	10,000
Owners' Expenses	5,000
Special Assessment, if any	20,000
Assessment for Force Majeure Events	0

TOTAL DISTRIBUTABLE PARTICIPATION INTEREST	**32,809**

The Amounts due to the Developer, Owners' Expenses, Special Assessments and Assessment for Force Majeure Events constitute the Distribution Qualifiers. The payment of these amounts is the responsibility of the Unit Owners and Certificate Holders. In the event that the Final Share in Participation Interest is not sufficient to cover the payment of the Distribution Qualifiers, the Certificate Holder, in its capacity as a Unit Owner, shall pay those amounts from his own funds, and interest or penalties thereon as a result of late or non-payment.

b. <u>Room Use Privileges</u>

Each Certificate Holder shall be allocated with room use privilege for a maximum of fourteen (14) nights per year as follows:

- Maximum of Four (4) nights for Peak Periods – Specific dates of peak periods for each calendar year shall be pre-identified by the Issuer at the end of the previous year. Periods most likely to be identified as Peak Periods include the following:
    - Christmas to New Year season (approximately 14 nights)
    - Holy Week (7 nights)
    - All Saints' Day (7 nights)
    - Chinese New Year (7 nights)

- Maximum of Five (5) nights for High Season - Summer and semestral break periods and any other such expected high seasons for the coming year shall also be pre-identified by the Issuer at the end of each year.

- Five (5) nights for Low Season - Such periods which are not pre-classified as either Peak Period or High Season.

The Room Use Privilege is not cumulative. The number of Room Use Privilege available to Certificate Holders shall always be reset to 14 nights at the beginning of each calendar year. Should the Condotel be forced to temporarily close during the calendar year, for reasons not attributable to the fault or negligence of the Issuer, the Room Use Privilege shall be reduced in such number of nights proportionate to the period when the Condotel was forced to temporarily close.

The Room Use Privilege is subject to the house rules of the Condotel Project which may be amended from time to time by the Issuer and without prior notice to the Certificate Holders.

The Issuer may assign a similar unit to the Certificate Holder in the event that his Condotel Unit is not available or if the usage by the Certificate Holder of his Condotel Unit will prejudice the maximization of the overall income of the Condotel Project.

The Certificate Holder may be a guest of the hotel any time, beyond his allotted Room Use Privilege. These usages shall be subject to room availability and shall be based on the regular published/prevailing room rates at the time of usage as determined by the Company.

Enjoyment of the Room Use Privilege covers the use of the Unit, including power, water utilities, free local phone calls, the use of the furniture and fixtures inside the room, and any other facility, service or amenity that is covered by regular room rates. This privilege shall not include long distance phone calls, minibar consumption, food and beverage, room service, laundry, parking and other similar incidental expenses. Such incidental expenses shall be paid by the Certificate Holder or his nominee or guest upon check-out.

5. Term and Termination of the Condotel Project

The contribution of the Units to the Condotel Project shall be valid and effective for a period of twenty-five (25) years commencing from the date of the SEC Permit to Sell for the Project. Thereafter, the CPA with the Certificate Holders may be renewed for a shorter or similar period, at the sole option of the Issuer. At least two (2) years prior to the expiration of the CPA and the Certificate, the Issuer shall notify the Certificate Holders in writing of its intention to continue with the Condotel Project under such terms and conditions imposed by the Issuer pursuant to a new offer.

In the event that the Issuer decides not to operate the Condotel Project for another term, or decides to terminate the CPA for any other reason prior to the expiration of the term due to operating losses, the possession of the Condotel Units shall be turned over to the respective Unit Owners. The improvements in the Condotel Units shall also be turned over and/or liquidated at the option of the Issuer, the proceeds of which shall be distributed to the Unit Owners. The Issuer shall likewise return the amount of the Joining Fee, pro rata, received from the Certificate Holders.

6. Restrictions on Sale and Transfer

The buyers of Condotel Units in the Condotel shall execute two (2) separate contracts governing the purchase of the Condotel Unit and the participation in the Quest Hotel Tagaytay Project. These contracts are as follows:

a. Purchase of the Condotel Unit from FLI - The sale of the Condotel Unit shall be covered by the standard Contract to Sell ("**CTS**") and/or the Deed of Absolute Sale ("**DOAS**") utilized by the Developer for its condominium and residential projects. Once the buyer has fully paid the purchase price of the Condotel Unit, the Condominium Certificate of Title ("**CCT**") covering the said unit shall be issued to the buyer's name.

b. Participation in the Quest Hotel Tagaytay Project of the Issuer - The participation in the Quest Hotel Tagaytay Project as evidenced by the Certificates of Participation will be documented through the Condotel Participation Agreement ("**CPA**") between the Certificate Holder and the Issuer. The Certificate shall then be issued to the Certificate Holder upon full payment of the Offer Price equivalent to the Joining Fee.

The sale of the Condotel Unit is conditioned upon the simultaneous participation in the Condotel Project. Hence, the ownership of the Condotel Unit and the Certificate shall at all times be vested in the same person and as such, the said assets cannot be assigned or transacted separately from the other. No sale, assignment or disposition of the Condotel Unit can be considered valid without the corresponding sale, assignment or disposition of the Certificate.

Should a Unit Owner decide to sell the Unit together with the Certificate, Unit Owner shall inform the Developer and the Issuer in writing prior to such sale. The Developer shall have a right of first refusal over the Condotel Unit and the Certificate. Any transfer without observing this requirement shall not be registered in the Registry.

In case of sale or transfer by the Unit Owner of the Certificate of Participation, together with the Condotel Unit, the following conditions that need to be satisfied are as follows:

1. Submission of the Certificate Authorizing Registration issued by the BIR for such sale or transfer; or the Condominium Certificate of Title over the Condotel Unit, issued by the Register of Deeds in the name of the transferee;
2. Payment of Administrative Fee;
3. Waiver of the Right of First Refusal issued by the Developer; and

4. Surrender of the original Certificate of Participation.

Since the Certificates (as well as the participation rights) attach to the Condotel Units, the nationality restriction applicable to condominium projects shall likewise extend to the Certificates. Accordingly, the foreign ownership shall be limited to forty percent (40%) of the total value of the Certificates.

RISK FACTORS AND OTHER CONSIDERATIONS

General Risk Warning

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may lose all or part of its value over time. Past performance is not a guide to future performance. The future performance of a security may defy the trends of its past performance. There might be a significant difference between the buying price and the selling price of any security. There is an inherent risk that losses may be incurred rather than profit may be realized as a result of buying and selling securities. The market price of the Certificates could decline due to anyone, but not limited to the risks discussed below and all or part of an investment in the Certificates could be lost. An investor deals with a range of investments each of which investments may carry a different level of risk.

Prudence Required

The declaration of risks in this Section does not purport to be a comprehensive description nor a complete disclosure of all the risks and other significant aspects of investing in these securities but is intended to give a general idea to a Prospective Certificate holder on the scope of risks involved. An investor must undertake its, his or her own independent research and study on the value and worth of securities subject to this Prospectus before commencing any trading activity. Investors may request information both on the securities and Issuer thereof from the SEC which are available to the public. The Issuer, and its authorized sellers do not make any warranty or representation on the marketability or price on any investment in the Certificates.

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to be invested in or the nature of the risks involved in holding and trading of such securities, especially in the trading of high-risk securities. Each investor should consult his or her own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Offer Shares.

Risk Factors

An investment in the Certificates of Participation described in this Prospectus involves great deal of foreseeable and unforeseeable risks and circumstances. A Prospective Certificate holder should carefully consider the following factors, in addition to the other information contained elsewhere in this Prospectus, in making decisions on whether or not to invest in the Certificates. This Prospectus contains forward-looking statements that involve risks and uncertainties. The occurrence of any of the events described herein or other events not currently anticipated, could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Issuer adopts what it considers conservative financial and operational controls and policies to manage its business risks. The Issuer's actual results may differ significantly from the results discussed in the forward-looking statements. See section "Forward-Looking Statements" of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of the Issuer, in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below.

Before a prospective buyer decides to invest in the Certificates of Participation, he should carefully consider all the information contained in this Prospectus including the risk factors described below in the order of their importance. The Issuer's business, financial condition and results of operations could be materially adversely affected by any of these risk factors. The market price of the Certificates could decline due to any one of these risks and all or part of an investment in the Certificates could be lost.

Risks Relating to the Issuer's Business

Competition and Market Risks

The Issuer's principal business is the management of the Condotel Project. The location of the Condotel – Tagaytay City - competes with other tourist destinations in the Philippines to attract domestic and international tourists and visitors. A decrease in tourist arrivals to Tagaytay City could have a material adverse effect on the Issuer's business, financial condition and results of operation.

The Issuer operates in a highly competitive industry, which could limit its ability to maintain or increase its market share and maintain profitability. The Issuer also faces competition from the rapid expansion of room supply in Tagaytay and other locations. The rapid expansion in room supply could negatively affect selling prices of room accommodation which in turn would affect the results of the Condotel Project.

The Issuer faces competition from both small and large hotel, resort and condotel developers and operators including but not limited to, Ayala Land, Inc., SM Investments Corporation, Robinsons Land Corporation, City Land Group, Alveo Land, Megaworld and Shangri-La Properties. The Issuer's operating results may fluctuate significantly due to competition from existing and up-coming hotels, resorts, condotels, serviced apartments and other alternative lodging businesses in Tagaytay City.

The Issuer mitigates this risk and ensures to maintain competitiveness in the growing travel industry by closely monitoring competitor performance. This allows the Issuer to respond in a timely and appropriate manner. The Issuer also employs customer feedback mechanisms to continuously improve the service delivery. The Company is also focused on what makes the property special and creates unique value propositions for the guests.

Regulatory risks in the hospitality sector

The Issuer is subject to a wide range of government laws, rules and regulations covering project delivery, construction and operation. Permits and clearances are issued based on local zoning considerations, environmental laws, and construction-related guidelines, varying from one municipality to another. These include ECC issued by DENR, permits issued by various local governments (e.g., locational clearance, barangay clearance, development permit, occupancy permits, and operating permits) and accreditations issued by the Department of Tourism ("**DOT**"). Obtaining regulatory permits, licenses and approvals can take a significant amount of time which could adversely delay or hinder the development and operation of the projects. The Issuer has a monitoring system for the timely preparation and filing of applications and supporting documentations required to secure permits and licenses. The Issuer regularly monitors government regulations to ensure its full compliance as well as to anticipate and prepare for its effect on operations.

Business Risks

The facilities and operations of the Company could be severely disrupted by many factors, including accidents, breakdown or furniture and equipment, interruption in power supply, human error, natural disasters, and other unforeseen circumstances and problems. While the Company undertakes the necessary precautions to minimize any impact of significant operational problems and implementing preventive maintenance program for all of its major equipment and standby utility system, these disruptions could still result in the unavailability of Units or increased insurance costs, personal injuries, loss of life and unplanned inventory build-up, all of which could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Issuer makes no representations and warranties that the Company will be able to manage the business optimally to make the business run profitability. The issuer makes no representations and warranties that CHI is the most suitable hotel operator nor that CHI will be able to deliver the desired business results. Business risks may even result to operating losses such that the Company would not be able to sustain business operations. In such a case, the Certificate Holders may exercise their rights and remedies under the law against the Company, such as but not limited to, termination and rescission of the relevant agreements.

Risks relating to retention of competent personnel

The Issuer faces competition with other hotel management companies in hiring qualified personnel to run the day-to-day operations of various hotels, resorts and condotels. The Issuer's cost of sales is affected by wages and salaries of its employees. Any increase in employee salary will result in a higher hotel room night price that could adversely affect demand for the Issuer's products and the relative affordability of such products as compared to competitors' products. This could reduce the Issuer's hotel room night sales. There is no guarantee that the Issuer will be able to recruit, train or retain the required number of qualified personnel, including Philippine or foreign nationals with overseas hospitality, and managerial experience that the Issuer intends to recruit. Increasing competition in the Philippine hospitality and gaming industries may also reduce the employee pool available to the Issuer and/or increase labor costs, and such competition is expected to continue. Moreover, the eventual development of the Group's other projects across the Philippines may result in difficulties fulfilling the growing manpower requirements with the necessary candidates.

The Issuer regularly reviews its compensation package to ensure that it remains competitive and equitable. The Issuer also provides ongoing education and career advancement and development programs for the employees.

Legal Risks

The Issuer may, from time to time, be involved in disputes with various parties. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs and delays in the operations of the Company, and the diversion of resources and management's attention. The Issuer may also have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable decisions that will result in penalties and/or delay the development of its projects and operations. In such cases, the Issuer's business, financial condition, results of operations and cash flows could be materially and adversely affected. Thus, the Issuer shall properly assess the risks and possible solutions to eventually settle disputes in an expeditious and cost-effective manner.

Risks relating to labor relations

Various labor laws govern the Company's relationship with its employees and affect operating costs. These laws include minimum wage requirements, mandatory health benefits, overtime compensation, and other terms and conditions of employment. These and significant changes in labor regulations, for example, in respect of outsourcing services to independent third party contractors, could materially affect the Company's business, financial condition, operating results or cash flow. Engagement of third party service providers carries with it certain inherent risks including potential actions from employees of its third-party service providers who may claim an employee-employer relationship with it and the risk that third party contracting arrangements in place may be found unlawful, which could have a significant impact on its labor costs. In addition, a labor dispute involving a substantial number or all of the Company's employees may harm its reputation, disrupt its operations and reduce its revenues, and resolution of disputes may increase its costs. The Company is also exposed to litigation risk from employees of its various third party contractors, who may implead it as party to their labor cases and labor disputes against these third party contractors.

Labor disputes, including failure to maintain satisfactory labor relations, or changes in employment laws may disrupt the Company's operations and could adversely affect its business, prospects, financial condition and results of operations.

The Issuer conducts an annual HR audit to ensure compliance with all labor related laws and that all contracting arrangements are done in good faith. In managing direct-hire employees, the Issuer promotes openness, transparency and a culture of trust.

Risks Relating to Deterioration of the Condotel

The Condotel Project, as an operating entity, will overtime experience deterioration of its operating and capital assets. It is expected that the operating assets will be replaced between a 1-3 year cycle, or as needed. While the Condotel Project has provisions to fund the replacement of the items, there is no guarantee that this will be enough to cover the expenses. Should there be a shortfall on the funding, the Certificate Holders authorize the Issuer to secure additional funding under such terms and conditions as the Issuer may deem beneficial to the Project, the cost of which shall form part of the Condotel Expenses.

The Condotel amenities and facilities, and Furniture, Fixture, and Equipment in the Units will likewise experience deterioration and are expected to be replaced within a 5 to 10-year cycle, or as needed. While the Condotel Project has provided reserves for the replacement of these items, there is no guarantee that this will be enough to cover the capital expenditures. Should there be a shortfall on the funding, this will be collected from the Unit Owners through Special Assessments.

The Issuer has created reserves and provisions to fund the replacement of its operating and capital assets. Should there be a shortfall on the funding, the Certificate Holders authorize the Issuer to secure additional funding under such terms and conditions as the Issuer may deem beneficial to the Project or be collected from the Certificate Holders through Special Assessments.

Risks related to related party transactions

In the ordinary course of business, the Company transacts with its related parties, such as entities in within the Filinvest Group. These transactions have principally consisted of advances, bank deposits, reimbursement of expenses, purchase and sale of real estate and other properties and services, guarantees, construction contracts and development, management, marketing and administrative service agreements. The arm's length principle under BIR regulations requires the transaction with a related party to be made under comparable conditions and circumstances as a transaction with an independent party such that if two related parties derive profits at levels above or below comparable market levels solely by reason of the special relationship between them, the profits will be deemed as non-arm's length. In such a case, the BIR pursuant to the BIR Commissioner's authority to distribute, apportion or allocate gross income or deductions between or among two or more businesses owned or controlled directly or indirectly by the same interests (if such is necessary in order to clearly reflect the income of such business), may make the necessary transfer pricing adjustments to the taxable profits of the related parties to ensure that taxpayers clearly reflect income attributable to controlled transactions and to prevent the avoidance of taxes with respect to such transactions. Although the Company has instituted internal policies with respect to related party transactions and believes that all past related party transactions have been conducted at arm's length on commercially reasonable terms and documented pursuant to relevant transfer pricing regulations, there can be no assurance that the BIR may confirm these transactions as arm's length on the basis of the relevant transfer pricing regulations and there can be no assurance that any transfer pricing adjustments by the BIR will not have a material adverse effect on the Company's business, financial condition or results of operations.

The Issuer has instituted internal policies with respect to related party transactions to ensure that all past and future related party transactions have been and will be conducted at arms-length basis on commercially reasonable terms and documented pursuant to relevant transfer pricing regulations.

Reputation Risk

The Company recognizes that the reputation of the Quest brand is its valuable asset, a competitive advantage that enables the Company to earn the trust of its stakeholders, investors and the public. The Company also knows that the reputation of the Quest brand took years to strengthen and is therefore something it wants to protect, build and enhance continuously. Today's world of higher corporate governance standards, coupled with heightened public consciousness and greater scrutiny from the public because of social media, have created a new environment where brand reputation has become a differentiating asset as well as one of its top risks. Managing the Quest brand reputation requires an understanding of the reputational terrain, which includes all its stakeholders, customers, shareholders, lenders, regulators, host communities and local government units. Failure by the Company to uphold the reputation of the Quest brand could negatively affect selling prices of room accommodation which in turn would affect the results of the Condotel Project.

The Issuer has put in place processes to regularly sense, assess and manage risks and proactively prepare to protect reputation from brand shocks.

Risks Relating to the Philippines

General economic conditions may have an adverse impact on the Issuer's activities and financial performance.

General economic factors such as inflation, currency exchange, industrial disruption and interest rate fluctuations, government policy and regulations, commodity prices and, to a certain extent, stock market prices may have an adverse impact on the operations of the Condotel Project, the Issuer's ability to fund its activities and on the financial performance of the Issuer. The Issuer tempers its exposure to these risks by exercising prudent management. The Issuer also ensures that there are operational mechanisms in place to enable the Issuer to scale back or ramp up operations in a timely manner as warranted by prevailing or projected economic conditions.

Economic Factors: Unforeseen shifts in the Philippine economy could have a negative effect on the Company's business.

All of the Issuer's business operations are presently conducted in the Philippines and the Issuer's revenues are entirely sourced from the Philippines. As such, its business, financial condition, and results of operations are subject to a significant degree to the general state of the Philippine economy. Although the Philippine economy experienced strong GDP growth over the past five years up to 2019, the stronger U.S. dollar, rising global interest rates and higher commodity prices may cause domestic inflation to increase and have an adverse impact on the future growth of the Philippine economy, which has previously experienced periods of slow or negative growth, high inflation, significant depreciation of the peso and the imposition of exchange controls. The country's GDP growth could also stagnate in 2020 as a result of the COVID-19 pandemic, as the Philippine Statistics Authority has announced that the Philippines' GDP in the second quarter of 2020 contracted by 16.5%.

Demand for the Group's hospitality businesses is also dependent to a significant extent on the general state of the Philippine and global economy. Weak regional and global growth have a negative impact on the tourism industry within the Philippines, which, in turn, affects demand for leisure and tourism services offered by Philippine companies, including those of the Group's hospitality businesses.

There is no assurance that the Philippines and other countries in Asia will not experience future economic downturns. The Philippine and Asian economies may be adversely affected by various factors, including:

- decreases in business, industrial, manufacturing or financial activity in the Philippines, in Asia or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines or in the Asian or global markets;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in the taxation policies and laws; and
- other regulatory, political or economic developments in or affecting the Philippines and other Asian countries.

In particular, the outbreak of COVID-19 has caused stock markets worldwide to lose significant value and impacted economic activity in the Philippines, Asia and worldwide. Any deterioration in economic and political conditions in the Philippines or elsewhere in Asia could materially and adversely affect the Group's business, prospects, financial condition and results of operations.

The Issuer is closely monitoring the domestic, regional, and global economic markets to look out for trends and to anticipate its effects on the business and results of operations.

Economic Factors: Political and social conditions

There can be no assurance that the political environment in the Philippines will be stable or that the current or any future government will adopt economic policies conducive to sustained economic growth in the Philippines. Any political instability, including major public protests or the involvement of the military in politics, and terrorist activities, may have an adverse effect on the Issuer's results of operations and financial conditions. The Issuer tempers its exposure to these risks by exercising prudent management and adopting a flexible and nimble approach to its operations.

The Philippines has from time to time experienced severe political and social instability. The Philippine Constitution provides that, in times of national emergency, when the public interest so requires, the Government may take over and direct the operation of any privately-owned public utility or business. In the last few years, there were instances of political instability, including public and military protests arising from alleged misconduct by the previous administration.

There can be no assurance that the current administration will continue to implement social and economic policies favored by the previous administration. Major deviation from the policies of the previous administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. The President's unorthodox and radical methods may also raise risks of social and political unrest.

Any potential instability could have an adverse effect on the Philippine economy and could cause interruption to all or part of the Issuer's business. Any such political destabilization could materially and adversely affect the Issuer's business, financial conditions, results of operations, and prospects.

The Issuer is closely monitoring the political and social conditions of the Philippines to anticipate and mitigate its effects on the business and results of operations.

Activities in conflict areas may have an adverse impact on the Issuer's results of operations and financial performance.

Health and Safety Factors: Acts of terrorism

The Philippines has been subject to a number of terrorist attacks since 2000. The Philippine military has been in conflict with the Abu Sayyaf organization which has been identified as being responsible for kidnapping and terrorist activities in the Philippines. Recently, there has been a series of bombings in the Philippines, mainly in cities in the southern part of the country. Although no one has claimed responsibility for these attacks, it is believed that the attacks are the work of various separatist groups, possibly including the Abu Sayyaf organization, which has ties to the al-Qaeda terrorist network. An increase in the frequency, severity or geographic reach of terrorist acts could destabilize the Philippines, increase internal divisions within the Government as it evaluates responses to that instability and unrest and adversely affect the country's economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism in the future, and violent acts arising from, and leading to, instability and unrest may have a material adverse effect on the Issuer and its financial condition, results of operations and prospects.

In addition, the communist New People's Army ("**NPA**") is active in some of the areas around where the Issuer's Project is located. Companies who operate businesses in the areas where the NPA is active have, in the past, been approached by members of the NPA who attempt to collect "revolutionary taxes" from such companies and the business activities of companies that have either refused to pay such "taxes" or failed to pay the required amount have been disrupted. For example, equipment may be sabotaged and workers harassed by NPA members. While the Issuer has never been approached by the NPA in the past and has not had any of its projects disrupted by the NPA, there can be no assurance that this will not occur in the future, particularly as the Issuer continues to expand its activities to regions of the Philippines outside of Metro Manila and its immediately surrounding provinces.

Similar acts or conflicts between the Government and armed groups could lead to further injuries or deaths of civilians and police or military personnel, which could destabilize parts of the country and adversely affect the country's economy. Any increase in the frequency, severity, or geographic reach of acts of armed groups could adversely affect the country's economy.

The Issuer is closely monitoring and keeps up to date with current events in the Philippines in order to prepare exigency plans to minimize damages and losses to its guests, customers, employees, personnel, properties, business and results of operations.

Any such destabilization could cause interruption to parts of the Issuer's business and materially and adversely affect its financial conditions, results of operations, and prospects.

Health and Safety Factors: Natural or other catastrophes, including severe weather conditions

The occurrence of natural catastrophes may disrupt the Issuer's business operations.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions, and earthquakes that could adversely affect the Issuer's business.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Issuer's operations or any assurance that the Issuer will be capable of dealing with or recovering from such situations. These factors, which are not within the Issuer's control, could potentially have significant effects on the Issuer's operations. While the Issuer carries insurance for certain catastrophic events, of types, in amounts and with deductibles that the Issuer believes are in line with general industry practices in the Philippines, there are losses for which the Issuer cannot obtain insurance at a reasonable cost or at all.

Should an uninsured loss or a loss in excess of insured limits occur, the Issuer could lose all or a portion of the capital invested in such business, as well as the anticipated future turnover, while remaining liable for any costs or other financial obligations related to the business. Any material uninsured loss could materially and adversely affect the Issuer's business, financial condition, and results of operations.

The Issuer has disaster awareness, preparedness, and response policies in place to minimize the effects of natural calamities and catastrophes its guests, customers, employees, personnel, properties, and financial conditions of the business.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Issuer's operations. These factors, which are not within the Issuer's control, could potentially have significant negative effects on the whole tourism industry in the area.

Health and Safety Factors: Territorial disputes with China and a number of Southeast Asian countries

The Philippines, China, and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the Sea ("**UNCLOS**"). The Philippines made several efforts during the course of 2011 and 2012 to establish a framework for resolving these disputes, calling for multilateral talks to delineate territorial rights and establish a framework for resolving disputes.

Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a collection of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused each other of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal later that year. These actions threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese embassy in Manila that it intended to seek international arbitration to resolve the dispute under UNCLOS. China rejected and returned the notice sent by the Philippines to initial arbitral proceedings.

On May 9, 2013, a Philippine Coast Guard ship opened fire on a Taiwanese fisherman's vessel in a disputed exclusive economic zone between Taiwan and the Philippines, killing a 65-year old Taiwanese fisherman. Although the Philippine government maintained that the loss of life was unintended, Taiwan imposed economic sanctions on the Philippines in the aftermath of the incident. Taiwan eventually lifted the sanctions in August 2013 after the Government of the Philippines issued a formal apology.

In September 2013, the *Permanent Court of Arbitration* in The Hague, Netherlands issued rules of procedure and initial timetable for the arbitration in which it would act as a registry of the proceedings. On July 12, 2016, the five-member Arbitral Tribunal at the Permanent Court of Arbitration in The Hague, unanimously ruled in favor of the Philippines on the maritime dispute over the West Philippine Sea. The *Arbitral Tribunal*'s landmark decision contained several rulings, foremost of which invalidated China's "nine-dash line", or China's alleged historical boundary covering about 85% of the South China Sea, including 80% of the Philippines Exclusive Economic Zone ("**EEZ**") in the West Philippine Sea. Despite the decision, the Chinese government has maintained its position that the *Arbitral Tribunal* had no jurisdiction over the dispute, and thus, the decision is not binding on the Chinese government. In recent years, the Chinese Government successfully registered names for five undersea features found in the Philippine Rise (formerly Benham Rise) with the International Hydrographic Organization. This is despite the decision that the *United Nations Commission on the Limits of the Continental Shelf* had already granted the Philippines full territorial claim to the Philippine Rise in April 2012. While the Philippine Government downplays the Chinese names, the Philippines' central mapping agency is seeking the assistance of the Department of Foreign Affairs for the nullification of the Chinese names for underwater features from the International Hydrographic Organization-Intergovernmental Oceanographic Commission General Bathymetric Chart of the Oceans ("**IHO-IOC GEBCO**") Sub-Committee on Undersea Feature Names ("**SCUFN**").

Should territorial disputes between the Philippines and other countries in the region continue or escalate further, the Philippines and its economy may be disrupted, and the Issuer's operations could be adversely affected as a result. In particular, further disputes between the Philippines and other countries may lead to reciprocal travel bans, trade restrictions on the other's imports or suspension of visa-free access and/or overseas Filipinos permits.

The Issuer is closely monitoring and up-to-date with current affairs relating to territorial disputes in the West Philippine Sea to anticipate and minimize its potential effects to the business.

Any impact from these disputes in countries in which the Issuer has operations could materially and adversely affect the Issuer's business, financial condition, and results of operations.

Health and Safety Factors: Public health epidemics or outbreaks of diseases

In the past year, there have been several disease outbreaks such as H1N1 virus, Ebola virus, MERS-CoV, Zika virus, and bird flu. In early 2020, there was an outbreak of the Novel Coronavirus (Covid-19), a severe flu-like coronavirus, which originated in Wuhan, China and spread to the rest of the world. Millions of people have been infected worldwide. As of the date of this Prospectus, Covid-19 has continued to spread globally with the number of reported cases and related deaths increasing daily. The continued spread of Covid-19 in the Philippines (or any event of epidemic) could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Issuer's business, financial condition and results of operations.

The Issuer has implemented various health and sanitary protocols in all its properties and developments under its management to ensure the safety of its guests, customers, employees, and personnel. It has also implemented digitalization initiatives that minimize person to person contact.

Regulatory: The proposed amendment of the Constitution, advocated by the Duterte Administration, has caused, and may continue to cause, political unrest

Despite constitutional reform being a divisive issue in the Philippines, the Duterte Administration has considered it a legislative priority to amend the Philippine Constitution primarily to change the form of Philippine government from a unitary one to a federal one ("**Charter Change**"). The shift to a federal form of government was among President Duterte's key promises during his election campaign in 2016. President Duterte believes that the shift would promote peace most especially in conflict-torn Mindanao, curb poverty nationwide, and empower local government units in the Philippines.

The House of Representatives has already taken the initial steps toward the establishment of a Philippine federal structure of government. On January 16, 2018, the House of Representatives passed Joint Resolution No. 9, proposing that both the Senate and the House of Representatives transform into a *Constitutional Assembly* with the authority to amend the Constitution. On January 17, 2018, the subcommittee on constitutional amendments of the House of Representatives presented its proposed amendments to political provisions of the current Constitution, including the establishment of a *Federal Republic* divided into five states: Luzon, Metro Manila, Visayas, Bangsamoro, and Mindanao. Each state, under the said proposal, would have a unicameral state assembly with legislative powers and a premiere with executive powers. The subcommittee likewise proposed to establish a parliament with a 300-member Federal Assembly as national legislative department and a Senate as the regional legislative body. Meanwhile, the president would remain as head of state under the proposal and would have a term of five years with one re-election, whereas a prime minister would be constituted as the head of the Philippine government, and would be elected by members of the Philippine parliament.

With respect to proposed amendments to economic provisions of the current Constitution, the House of Representatives subcommittee also proposed to delete certain provisions in the current Constitution providing foreign nationality restrictions, particularly in the following areas: exploitation, development and utilization of natural resources, ownership of alienable lands, franchise on public utilities, practice of profession, ownership of educational institutions, mass media, and advertising. Business groups in the Philippines believe that such amendments will enable the Government to achieve its goal of sustainable and inclusive economic growth, and that an increase in foreign investments would create more job opportunities for Filipinos.

The Speaker of the House of Representatives has posited that the House of Representatives alone may proceed to amend the Constitution even without the concurrence of the Senate, but senators insist that the lower house of Congress must wait for Senate concurrence to formally begin proposing amendments to the Constitution. The impasse between the two chambers has resulted to a crisis of government administration, causing conflicts among different political groups. In addition, while President Duterte has stated that he wishes to step down from office at the end of his six-year term in 2022, critics believe that Charter Change would pave the way for Duterte to perpetuate his political power and begin an authoritarian regime over the archipelago.

On May 13, 2019, the Philippines held its national elections for 12 seats in the Senate, all the seats in the House of Representatives, and numerous positions in local governments.

On May 09, 2022, the Philippines held its national elections which resulted in the assumption of office of Ferdinand "Bongbong" Marcos, Jr. as the 17th president of the Republic of the Philippines.

The recent election brought newly elected officials, as well as changes in most of the key positions in the government.

There can be no assurance that the Marcos administration, the elected officials, and the appointed officials will continue to implement the economic, development, and regulatory policies of their predecessors, including those policies that may have an effect on the Issuer's assets and operations.

The Issuer regularly monitors new laws, rules, regulations, and any amendments thereto, to ensure its full compliance as well as to anticipate and prepare for its effect on operations. Due to the Issuer's business being subject to extensive regulation from the Government and dependence on economic stability, the potential for instability and unrest may have a material adverse effect on the Issuer and its financial condition, results of operations, and prospects.

Regulatory: Environmental laws applicable to the Group's projects could have a material adverse effect on its business, financial condition or results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the DENR. For environmentally-sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment ("**EIA**") may be required and the developer will be required to obtain an Environmental Compliance Certificate ("**ECC**") to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Group will not increase the costs of conducting their business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Project is located cause damage or injury to buyers or any third party, the Issuer or Developer may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations.

To mitigate the risk that environmental laws may have an adverse effect on the Project, the Issuer's Management believes that the Project is compliant with environmental laws. The Issuer ensures that its operations are in full compliance with the environmental, sustainability and governance policies advocated and implemented by its group of companies.

Regulatory: The Philippine real estate industry is subject to extensive regulation from the Government, including local governmental authorities.

The Philippine real estate industry is subject to extensive government regulation. The Issuer must comply with the various requirements of the Government, including local governmental authorities in the areas in which the Issuer's Properties are located. The Government influences the property sector by imposing industry policies and economic measures, including those that affect the classification of land available for property development, foreign exchange restrictions, property financing, taxation, and foreign investment.

Property laws and regulations, including relevant judicial decisions, are at times ambiguous and may be subject to inconsistent and contradictory interpretations. Further, such laws and regulations are constantly evolving and therefore consistent interpretations of such regulations are difficult to anticipate. New laws and regulations or modifications may also be passed, which would impose more stringent and complex requirements on the Company, thereby adversely affecting the Issuer's business, financial condition, and results of operations.

The Issuer has a strong understanding of the regulations relevant to its business and has significant experience in managing compliance with regulatory requirements. The Issuer regularly monitors new regulatory issuances, and any amendments thereto, to ensure its full compliance as well as to anticipate and prepare for its effect on operations. There can be no assurances, however, that the Company will not experience any issues with respect to regulatory compliance in the future.

Risks Relating to the Offer and the Certificates of Participation

The Certificates of Participation may not be a suitable investment for all investors. Thus, each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation, including where the currency for purchasing and receiving the share in the Distributable Participation Interest on the Certificates of Participation is different from the potential investor's currency, understand and be familiar with the behavior of any relevant financial markets, and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The execution of the CPA is one of the conditions precedents to the issuance of the Certificates of Participation. Failure to execute the CPA will render the buyers ineligible to participate in the Condotel Project. As such, the buyers will not be entitled to avail of the Room Use Privilege and to receive (i) an interest on the Certificate based on the Final Share in Participation Interest, and (ii) other annual usage privileges.

A Unit Owner who has not fulfilled the Eligibility Requirements will not be given the rights and privileges of a holder of Certificate of Participation.

A Unit Owner, who has paid the purchase price in full, but has otherwise failed to meet the Eligibility Requirements, shall have legal title and ownership of such Unit, subject to (1) the terms and conditions of the Deed of Sale executed by the Unit Owner and FLI to convey the Unit; (2) the Condotel Development Agreement between FLI and FOSI; and (3) the Master Deed.

Under the Master Deed, such Unit Owner shall have the following property rights:

a. Exclusive legal ownership over the Unit;
b. An undivided beneficial interest in the Common Areas of the Condotel Project arising from membership in the Condominium Corporation which hold legal title thereto;

c. Membership in the Condominium Corporation, subject to the proxy provisions and assignment of membership rights, as required in the Condotel Participation Agreement with FOSI; and
d. In the event of dissolution of the Condominium Corporation, the right to receive, together with all the other Owners, his pro-rate share in the net proceeds to be distributed based on his interest in the Condominium Corporation.

In addition, such Unit Owner may sell, alienate, or transfer title over his Unit provided, that the right of first refusal of FLI is observed by giving a prior written notice to FLI as regards the same.

The rights of a Unit Owner who has not paid the purchase in full shall be subject to the terms and conditions of the Contract to Sell, the Condotel Development Agreement, and the Master Deed.

Further, if the Registration Statement is not approved by the SEC, the Certificates of Participation will not be issued. Moreover, the affected units already sold will be excluded from the pool to be offered to the public. Nonetheless, the use of the condominium units by such Unit Owners will be subject to the provisions of the Master Deed, and the Deed of Sale or Contract to Sell, as the case may be.

The term of the Certificate of Participation is co-terminus with the term of the Condotel Project, i.e., twenty-five (25) years counted from the date of the SEC Permit to Sell for the Condotel Project, regardless of date of issue of the Certificate of Participation.

The Company shall have the sole option to apply for the renewal and/or extension of the term, taking into consideration the performance and viability of the Condotel Project.

In any case, upon expiration of the term of the Condotel Project, the possession of the Condotel Units shall be turned over to the respective Unit Owners.

Risks Relating to the Certificate Holder being a Unit Owner

Certificate Holders are also Unit Owners of the Condotel Unit. Unit Owners are required to pay real property taxes, all-risk insurance, and service fees relating to the processing of the said expenses. Unit Owners may also be liable for Special Assessments which constitute a Distribution Qualifier. In the event that the Final Share in Participation Interest is not sufficient to cover the payment of the Distribution Qualifiers, the Certificate Holder, in its capacity as a Unit Owner, shall pay those amounts from his own funds, and interest or penalties thereon as a result of late or non-payment. Non-payment of these amounts could materially and adversely affect the Issuer's business, financial condition, and results of operations, and may result in the impairment of the Condotel Units and Condotel Project.

If the Unit Owner involuntarily loses possession and/or ownership of the Condotel Unit to any government agency, such loss of possession and/or ownership could materially and adversely affect the Issuer's business, financial condition, and results of operations, and may result in the impairment of the Condotel Units and Condotel Project.

Therefore, it is incumbent upon the Unit Owner to avail of the remedies provided by law in the event that the Condotel Unit is subjected to a forfeiture or confiscation order issued by any relevant government agency, such as filing of a temporary restraining order or posting of a bond.

Pursuant to the CPA, in case of foreclosure, sale on execution or other involuntary transactions involving the Condotel Unit, the successors-in-interest of the Participants will be subject to the terms and conditions of the CPA. FOSI or its assignee shall have the right, but not the obligation, to redeem or exercise any other right pertaining to the Participant to recover or reacquire the Condotel Unit.

Prospective investors are cautioned accordingly. Each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

• have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;

• have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and

• have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation, including where the currency for purchasing and receiving the share in the Distributable Participation Interest on the Certificates of Participation is different from the potential investor's currency, understand and be familiar with the behavior of any relevant financial markets, and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks Related to Having No Prior Established Market for the Product

The Certificates of Participation are new kinds of securities registered in the Philippines. The pooling of condominium units and operating the same as a hotel is a new scheme and is not widely used, and as a result there are inherent risks. There is no existing comparable model against which the product can be benchmarked.

Prospective investors are cautioned accordingly. Each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

• have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;

• have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and

• have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation, including where the currency for purchasing and receiving the share in the Distributable Participation Interest on the Certificates of Participation is different from the potential investor's currency, understand and be familiar with the behavior of any relevant financial markets, and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks Relating to Certain Statistical Information in this Prospectus

Certain information contained herein is derived from unofficial publications.

Certain information in this Prospectus relating to the Philippines, the industries in which the Issuer competes and the markets in where the Issuer operates, including statistics relating to market size, are derived from various Government and private publications. This Prospectus also contains industry information which was prepared from publicly available third-party sources. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and other market research data, including those contained or extracted herein, have not been independently verified by the Issuer, and may not be accurate, complete, up-to-date or consistent with other information compiled within or outside the Philippines. Prospective investors are cautioned accordingly.

Prospective investors are cautioned accordingly. Each prospective investor in the Certificates of Participation must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

• have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and its businesses, the merits and risks of investing in the Certificates of Participation and the information contained in this Prospectus;
• have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates of Participation and the impact the Certificates of Participation will have on its overall investment portfolio; and

• have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates of Participation, including where the currency for purchasing and receiving the share in the Distributable Participation Interest on the Certificates of Participation is different from the potential investor's currency, understand and be familiar with the behavior of any relevant financial markets, and be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

USE OF PROCEEDS

The Issuer Company intends to use the net proceeds of the Offer after deducting filing fees and other estimated expenses for the following purposes in order of priority :

1. Pre-operating expenses covering six (6) months of salaries and wages, human resource training programs, sales and marketing, utilities and simulation costs amounting to Php7.6 million;

2. Condotel Expenses for the first three (3) months of operations amounting to Php2.6 million;

3. Technical Fee to third party operator/s amounting to Php1.3 million;

4. Working capital buy-outs which includes, but not limited to guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle, and information technology and communications amounting to Php15.2 million; and

5. Working capital requirements amounting to Php6.6 million.

The Company expects to raise gross proceeds of approximately Php37,756,700. After deducting fees, taxes and other expenses related to the Offer and payable by the Company as set out below, the net proceeds from the Offer will be approximately Php33,348,011

The cost and expenses to be incurred by the Company for the Offer will be approximately Php 4,455,747 consisting of:

Computation of SEC Filing Fees for the Registration of the Certificates of Participation		
		In Php
Value of the proposed Security		**37,756,700**
Total Value of Basis of the Filing Fee (Based on Zonal Value)		**231,300,000**
Computation of SEC Registration Fees		
SEC Filing Fees:		
Basic Filing Fee	*0.1% or P500,000 (depending on bracket)*	231,300
In Excess of Basic	*0.075% of amount in excess of Basic*	
Total Filing Fees		**231,300**
Plus: UPLRF	*1% of Filing Fee*	2,313
Total SEC Filing Fees		**233,613**
Add: Documentary Stamp Tax		30
Total Estimated SEC Registration Cost		**233,643**
Professional Fees	*estimate only*	
Legal Fees		
Auditor's Fees		2,000,000
		1,500,000
Total estimated Legal & Auditor's Fees		**3,500,000**
Sub-Total SEC + Professional Fees		**3,733,643**
Add: Printing + Other Charges (Prospectus)		100,000
Add: Contingency	15 *% of estimated cost*	575,046
Total SEC Registration Fees + Professional Fees		**4,408,689**
ESTIMATED NET PROCEEDS AFTER REGISTRATION		**33,348,011**

Contingency is computed at 15% of the total SEC, Professional Fees and Other Costs to cover inflation, VAT provision on professional fees and out of pocket expenses of the professionals.

In the event that the revenue generated from the Project is insufficient to support its operations, the Certificate Holders authorize the Issuer to secure additional funding under such terms and conditions as the Issuer may deem beneficial to the Project, the cost of which shall form part of the Condotel Expenses. No amount of the proceeds will be used to discharge debt.

As of date of this Prospectus, there are already condo units that have been sold, and hence, the corresponding Condotel Participation Agreements of those units will be issued to their respective owners, provided the Eligibility Requirements are met. The said units will no longer be offered by the Developer to the public in general.

DIVIDENDS AND DIVIDEND POLICY

The discussion on the dividend policy in this section relates to dividends to the Company's shareholders, and not the holders of the Certificates of Participation.[5]

Overview

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends that requires the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose.

The Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividend without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

Limitations and Requirements

Under Philippine law, a corporation can only declare dividends to the extent that it has unrestricted retained earnings that represent the undistributed earnings of the corporation that have not been allocated for any managerial, contractual, or legal purpose, and that are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property or by the issuance of shares. Stock dividends may only be declared and paid with the approval of shareholders representing at least two-thirds (2/3) of the outstanding capital stock of the corporation voting at a shareholders' meeting duly called for the purpose.

The Revised Corporation Code generally requires a corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus.

Dividend Policy

The Company does not have a specific dividend policy. Dividends are declared and paid out of the surplus of the Company at such intervals as the Board of Directors of the Company may determine, depending on various factors such as the operating and expansion needs of the Company. Dividends may be in the form of stock and/or cash dividends, subject always to:

[5] The holders of the Certificate of Participation in this Offer will not be entitled to any dividends from the Issuer. Instead, they shall only be entitled to receive the Distributable Participation Interest, as discussed under the heading "*Sample Computation of Distributable Participation Interest*" in this Prospectus.

(a) All requirements of the Revised Corporation Code as well as all other applicable laws, rules, regulations and/or orders;

(b) Any banking or other funding covenants by which the Company is bound from time to time; and

(c) The operating and expansion requirements of the Company as mentioned above.

DETERMINATION OF OFFER PRICE

The Offer Price for the various classes of the Certificates are as follows:

Class	Offer Price Per Class
Studio 23	Php 187,700
Studio 27	Php 220,400
Studio 29	Php 236,700
Suite 44	Php 359,100
Suite 54	Php 440,700

The various factors considered in determining the foregoing Offer Price include the total estimated cost of the (i) pre-operating expenses covering six (6) months of expenses pertaining to salaries and wages, human resource training programs, sales and marketing activities, utilities and simulation costs, (ii) Condotel Expenses for the first three (3) months of operations, (iii) Technical Fee to the third-party operator/s, and (iv) working capital buy-outs which includes guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle, and information technology and communications. Other factors considered are the marketability, target clientele, and growth expectations. No mark-up was added for brokers' commissions.

Since the Company and the Certificates are not listed on any stock exchange, there is no market information for the Offer and there has been no market price for the Certificates derived from day-to-day trading.

PLAN OF DISTRIBUTION

Considering that the Certificates in the Project will be sold together with the corresponding Condominium Units, the Certificates shall be sold by the Issuer, while the Condominium Units will be sold by the registered real estate brokers of the Issuer's affiliate, Filinvest Land, Inc. The marketing program involves the usual protocols followed by marketing outfits. Promotion shall make use of advertising, billboards, sign boards, direct mailing to target market, print and media exposure, and satellite offices in target locations shall also be utilized.

FLI's marketing group is composed of permanent and contractual personnel employed on a salary or commission basis. Selling agents of the Condotel will earn their commissions only from the sale of the Units.

The Issuer has not engaged any selling agents, external brokers, or dealers to separately market or sell the Certificates, considering that the Certificates are sold in conjunction with the condominium units. The Certificates shall be sold by the Issuer.

The Company shall not be responsible for any payment of commission and any commission on the sale of the units will be paid for by the Developer.

Neither will the Offer be underwritten. The Issuer has not engaged any finders, promoters or underwriters for the Offer.

The Offer shall be offered to the public in general and the Issuer has not designed any of the Certificates to be sold to any specified person. The Offer will not be listed in a stock exchange and none of the Certificates will be sold or traded through a stock exchange.

DESCRIPTION OF PROPERTY

Currently, the Issuer does not own any real or movable property. As with the business model of its parent company for its past projects, FOSI prefers to lease the land or take on partners that will provide the land to be used for its business operations.

The land on which the Condotel stands on is a portion of the property covered by Transfer Certificate Title ("**TCT**") Nos. 076-2018001092 and 076-2018001093, both issued by the Registry of Deeds for Tagaytay City, in the name of Filinvest Land, Inc. There are no mortgages, liens or encumbrances on the said land.

Until and unless the purchase price of a Unit is fully paid, the CCT over such Unit shall remain with the Developer. Upon such full payment, title shall be transferred in the Unit Owner's name. Meanwhile, the common areas within the Condominium shall be issued in the name of the Condominium Corporation.

Aside from saleable residential areas and common areas within the Condotel, it will also have saleable commercial areas. Although classified as saleable, the Developer shall have no plans to sell these areas during the 25-year term of the proposed Condotel Project. These areas shall be leased by the Developer to the Issuer for use as office spaces, lobby, lounge and reception areas, kitchen, and food and beverage outlet during the term of the Condotel Project.

The commercial terms of the lease by the Issuer of the commercial spaces are specified in the CDA between the Developer and the Issuer.

LEGAL PROCEEDINGS

As of the date of this Prospectus, the Issuer is currently not involved in any material litigation claims or arbitration, either as plaintiff or defendant, which could be expected to have a material effect on its financial position. In addition, to the Company's knowledge, no material litigation is currently threatened against the Issuer, and the Issuer is not aware of any facts likely to give rise to any proceedings which would materially and adversely affect its business or operations. Similarly, none of the Issuer's properties is subject of any pending material litigation, claims or arbitration, which could be expected to have a material effect on its financial position.

RELATED-PARTY TRANSACTIONS

The Issuer is a wholly-owned subsidiary of Filinvest Hospitality Corporation, a member of the Filinvest Group. The Company, in its ordinary course of business, engage in transactions with FDC, FHC, FLI and its subsidiaries.

The Company and its affiliates, in their regular conduct of business, have entered into transactions with its associates and other related parties principally consisting of advances, services fees, marketing fee, management fee and administrative fee.

The Issuer's major related-party transactions include the following:

a. The Issuer's major related-party transaction includes the Condotel Development Agreement ("**CDA**") dated August 20, 2019 FLI between the Company and FLI wherein the parties confirmed the agreement between FLI and the Company whereby FLI undertook to develop, construct and market the Condotel as a condominium-hotel project to be called the Quest Hotel Tagaytay Project and include as a condition for the sale of the units in the Condotel the buyers' obligation to contribute their respective Condotel Units to the Project to be operated and managed by the Issuer.

b. The Issuer has also engaged Chroma Hospitality Inc, a full-service management company to manage the day-to-day operations of the Condotel Project, through a Management Agreement signed and notarized on 26 November 2018. Under such agreement, CHI shall undertake the management, sales and marketing, e-commerce, financial accounting, recruitment and training, and maintenance and supervision of the Condotel Project.

The Company ensures continuous monitoring of the identities of the parties, and subsequent changes in relationships with counterparties (from non-related to related and vice versa). All RPTs are evaluated to ensure that the same are transacted on an arm's length basis and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential risk issues that may arise as a result of or in connection with the transactions. Also, all RPTs, including write-off exposures, are subject to periodical independent review or audit process.

As of December 31, 2021, 2020, and 2019, the Company has not made any provision for impairment of loss relating to amounts owed to related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

No transaction was undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his or her immediate family was involved or had a direct or indirect material interest.

FOSI employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

For a more detailed discussion of the subject, please refer to Page 17 of the Company's audited consolidated financial statements.

MANAGEMENT OF THE COMPANY

The overall management and supervision of the Company is vested in its Board of Directors.

BOARD OF DIRECTORS AND KEY OFFICERS

As of the date of this Prospectus, the members of the Board of Directors and the key officers of the Company are as follows:

Name	Position	Age	Nationality	Year/Date of Election
Francis Nathaniel C. Gotianun	Chairman of the Board	39	Filipino	11 November 2022
Francis V. Ceballos	Director, President and CEO	56	Filipino	11 November 2022
Ana Venus A. Mejia	Director	56	Filipino	11 November 2022
William Michael V. Valtos, Jr.	Independent Director	61	Filipino	21 December 2022
Nicasio C. Cabaneiro	Independent Director	75	Filipino	21 December 2022
Nancy R. Rivera	Treasurer and CFO		Filipino	21 December 2022
Katrina O. Clemente-Lua	Corporate Secretary	39	Filipino	21 December 2022
Jennifer C. Lee	Assistant Corporate Secretary	38	Filipino	21 December 2022

The business experience of each of the Issuer's current directors and executive officers are described below.

Francis Nathaniel C. Gotianun *Chairman of the Board*	Mr. Gotianun, Filipino, 39, was appointed as the Company's Chairman of the Board on 11 November 2022. He was previously appointed as the Company's Vice President on March 1, 2019. He also serves as Director and Vice President of FHC, Director of FLI and Filinvest Mimosa, Inc., and Director and President and CEO of The Palms Country Club, Inc. He obtained his Bachelor of Science (Major in Commerce – International Business and Marketing) from McIntire School of Commerce, University of Virginia. Charlottesville, VA in 2005 and his Master's Degree from IESE, Barcelona, Spain in 2010.
Francis V. Ceballos *Director, President and CEO*	Mr. Ceballos, 56, Filipino, was elected as the Company's Director, President and CEO on 11 November 2022. He is currently the Senior Vice President – Head of Industrial and Logistics Business of FLI, and a Director of Filinvest BCDA Clark, Inc., Timberland Sports and Nature Club, Inc., and FCGC Corporation. He was previously connected with Landco Pacific Corporation as Executive Vice President and Chief Operating Officer, Metro Drug, Inc. as a Management Trainee, and a faculty member at Sacred Heart School for Boys – Cebu. He obtained his Bachelor of Science in Management Engineering Degree in the Ateneo De Manila University and his Master's in Business Management degree in Asian Institute of Management.

Ana Venus A. Mejia *Director*	Ms. Mejia, 56, Filipino, was elected as the Company's Director on 11 November 2022. She is currently the Executive Vice-President and CFO of FLI, and was previously the Senior Vice President and CFO of Filinvest Alabang, Inc. and Assistant Vice President of Festival Supermall, Inc. She obtained her Bachelor of Science in Business Administration Major in Accounting degree in Pamantasan ng Lungsod ng Maynila and her Master's in Business Administration degree in Northwestern University and The Hong Kong University of Science and Technology.
William Michael V. Valtos, Jr. *Independent Director*	Mr. Valtos, 61, Filipino, was elected as the Company's Independent Director on 21 December 2022. He is concurrently an Independent Director in Investree Philippines, Inc. and FREIT Fund Managers, Inc., as well as a director in Phizzle Inc., Transwealth Fleet Management Corp./Transwealth Parking Services Corp., Philweb Corporation, Eton Finance Services Ltd., Starworth Holdings, Ltd., and Fiduciary Capital Advisers Ltd. He obtained his Bachelor of Arts in Economics and Political Science degree in University of Illinois, and his Master's in Business Administration Degree in Northwestern University Kellogg School of Management.
Nicasio C. Cabaneiro *Independent Director*	Mr. Cabaneiro, 75, Filipino, was elected as the Company's Independent Director on 21 December 2022. He is concurrently an independent director of FREIT Fund Managers, Inc., as well as a Professor and Pre-Bar Reviewer in San Beda College and Arellano Law Foundation. He obtained his Bachelor of Science in Commerce, Major in Accounting and Auditing degree and his Bachelor of Laws degree from San Beda College (now, San Beda University).
Nancy R. Rivera *Treasurer and CFO*	Ms. Rivera, 59, Filipino, was appointed as the Company's Treasurer and CFO on 21 December 2022. She is also the Senior Assistant Vice President – Financial Controller of Filinvest Hospitality, as well as Financial Controller of various subsidiaries of Filinvest Development Corporation. She was previously connected with Goodyear Philippines, Inc. as Financial Controller, Cargill Philippines, Inc. as Tax and Accounting Manager, Manila Mandarin Hotel as Assistant Financial Controller, Texas Instruments Philippines, Inc. as Internal Auditor, and Price Waterhouse Coopers Philippines as Senior Audit Manager. She obtained her Bachelor of Science in Business Administration Major in Accounting degree from University of the East, Manila.
Katrina O. Clemente-Lua *Corporate Secretary*	Ms. Clemente-Lua, 39, Filipino, was appointed as the Company's Corporate Secretary on 21 December 2022. She was previously appointed as FOSI's Assistant Corporate Secretary on 23 March 2022. She joined the Corporate and Tax Advisory Division of the Legal Department of FLI in October 2018. Prior to joining FLI, she served as the Legal Counsel of Philippine Stratbase Consultancy, Inc. and Executive Director

	of Stratbase ADR Institute. She was previously an associate of Carag Jamora Somera & Villareal Law Offices as well as Senior Corporate Affairs Officer of Anchor Land Holdings. She obtained her Bachelor of Arts degree in Legal Management from De La Salle University and her Juris Doctor degree from Ateneo de Manila University.
Jennifer C. Lee *Assistant Corporate Secretary*	Ms. Lee, 38, Filipino, was appointed as the Company's Assistant Corporate Secretary on 21 December 2022. She joined the Corporate, Tax, and Compliance Division of the Legal Department of FLI in July 2021. Prior to joining FLI, she was an associate in Quasha Law and in Migallos & Luna Offices. She obtained her Juris Doctor degree in University of the Philippines – Diliman and her Bachelor of Science in Commerce, Major in Legal Management in De La Salle University – Manila.

FAMILY RELATIONSHIPS

There are no family relationships either by consanguinity or affinity among the Company's executives and directors.

EXECUTIVE COMPENSATION

As the Company's directors and executives are also directors and executives of Filinvest Development Corporation, FLI and FHC, the Issuer does not independently compensate them. The salaries, bonuses and other compensation received by these persons are paid directly by FLI and/or FHC. The Company instead pays an administrative fee to FHC for the services rendered by the Company's directors and executives.

The following table identifies and summarizes the aggregate compensation of the Company's directors and executives for 2019, 2020, 2021, and projected for 2022:

Description	**Year**	**Total** **(₱)**
Aggregate Compensation based on 1% to 2% gross revenue administrative fee	2019	None[6]
	2020	391,000
	2021	347,000
	2022 (projected)	921,735

OTHER ARRANGEMENTS

There are no other arrangements pursuant to which any director of the registrant was compensated, or is to be compensated, directly or indirectly, during the registrant's last completed fiscal year, and the ensuing year.

[6] The Company's limited operations as a quarantine facility only commenced in 2020. Hence, there is no corresponding compensation paid in 2019.

WARRANTS AND OPTIONS OUTSTANDING

There are no outstanding warrants or options held by the registrant's CEO, the named executive officers, and all officers and directors as a group.

The registrant has not made any adjustments or amendments on the exercise price of stock warrants or options previously awarded to any of the officers and directors covered by the previous subparagraph hereof, at any time during the last completed fiscal year.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND EXECUTIVE OFFICERS

To the best of our knowledge, none of the above-named directors, nominees for election as director, executive directors, and/or other control persons of the registrant, in the last five years, been subject to the following:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities, commodities, or banking activities; or

- found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

The following table illustrates the security ownership of certain record and beneficial owners as of the date of this Prospectus.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage of Outstanding Shares
Common	**Filinvest Hospitality Corporation** Vector Two Building, Filinvest City, Alabang, Muntinlupa	N.A.	Filipino	3,994	99.99%

	City, Metro Manila				
Common	Francis Nathaniel C. Gotianun	N.A.	Filipino	1	Nil
Common	Francis V. Ceballos	N.A.	Filipino	1	Nil
Common	Ana Venus A. Meija	N.A.	Filipino	1	Nil
Common	William Michael V. Valtos, Jr.	N.A.	Filipino	1	Nil
Common	Nicasio C. Cabaneiro	N.A.	Filipino	1	Nil

Total number of shares of all record and beneficial owners as a group is common shares representing 100% of the total outstanding common shares as of the date of this Prospectus.

Total ownership of all directors and officers as a group is negligible as of the date of this Prospectus. Interests of the above directors/executive officers in the Company's common shares are direct.

a. No person holds more than 5% of the common stock under a voting trust or similar agreement.
b. There has been no change in control of the Issuer since its incorporation.

CHANGE IN CONTROL

There are no existing provisions in the Articles of Incorporation or the By-Laws of FOSI which will delay, defer or in any manner prevent a change in control of the Company.

As of the date of the Prospectus, the Company is not aware of any arrangements that may result in a change in control of the Company.

CORPORATE GOVERNANCE

On 01 March 2019, the Company has adopted its Manual on Corporate Governance (the "**Manual**") to ensure its compliance with the leading practices on good corporate governance and related Philippine SEC rules and regulations.

The Company utilizes its Manual to ensure its compliance with the leading practices on good corporate governance and related Philippine SEC rules and regulations.

In order to keep itself abreast with the leading practices on corporate governance, the Company encourages the members of its top-level management and the Board to attend and participate at seminars on corporate governance initiated by accredited institutions. The Company welcomes proposals, especially from institutions and entities such as the Philippine SEC and the Institute of Corporate Directors, to improve its corporate governance.

The Manual assists the Company in monitoring and assessing its level of compliance with leading practices on good corporate governance as specified in pertinent SEC circulars. Aside from establishing specialized committees to aid in complying with the principles of good corporate governance, the Manual also outlines specific rights and protections and enumerates particular duties expected from the Board members, officers and employees. It also features a system which highlights adherence to the principles of transparency, accountability and fairness.

The Company believes that there has been no material deviation from the Manual's standards as of the date of this Prospectus, and no sanctions were imposed on any director, officer or employee on account of non-compliance with the same.

SIGNIFICANT EMPLOYEES

While the Company values its workforce, the business of the Company is not highly dependent on the services of personnel outside of Senior Management.

INDUSTRY OVERVIEW

The information set out in this section has been extracted from publicly available reports from Leechiu Property Consultants, Oxford Business Group, Colliers International, Santos Knight Frank and the Department of Tourism of the Philippines.

HOSPITALITY SECTOR

The Philippines still continues to enjoy high growth in domestic and foreign tourist arrivals, driven by strong global, regional and local travel fundamentals. According to the World Tourism Barometer of UNWTO (United Nations World Tourism Organization), global travels grew by estimated 13% in 2018, supporting an estimated 6.9% five-year compounded annual growth rate (CAGR), with Southeast Asia having the highest regional CAGR of 7.0%.

International arrivals are mainly driven by new trends such as online and mobile booking platforms, integration of digital assistance in the booking, travel and main stay, and high information accessibility to tourist destinations. STR Inc., a data company in the United States, believes that tourists are more activity and experience-driven, which presents opportunity for ancillary revenue for hotels to package more tours and lifestyle offerings to a variety of travelers. On-property technology is also a widely-acknowledged trend where hotel lobbies and public areas become social media features and room controls are integrated with applications and tablets. Solo travel, millennial brands are on the rise. Chinese and Korean tourist segments are the best outperforming markets.

With Southeast Asia showing double-digit international arrivals growth for Thailand, Indonesia and Vietnam, the Philippines has shown a 8.0% growth higher than that other ASEAN counties such as Malaysia, Cambodia and Laos. Domestic movement still drives the tourism and hospitality sector with a 5-year growth rate of 10%.

Amidst strong demand and a resilient economy, hotel supply is estimated to be at 18,000 keys under construction during this period, which makes up for around 220,000 keys according to the Department of Tourism (DOT) report. With key developers having a mix of international brands and mixed-use hotels under their portfolio, the hospitality sector is seen to ride with the tourism growth story of the Philippines. This will also spurred by the administration's "Build Build Build" program that will increase airports and railways in the country, backed up by sustained quality human capital to deliver services.

SELECTED FINANCIAL INFORMATION AND OTHER DATA

The following tables present summary information for the Company and should be read in conjunction with the auditor's reports and notes thereto contained in this Prospectus and the section entitled "Management's Discussion and Analysis or Plan of Operations." The summary financial information provided below was prepared in accordance with PFRS and audited by SGV & Co. In accordance with the PSA.

STATEMENTS OF COMPREHENSIVE INCOME

In thousands Php	Years Ended December 31			Six Months Ended June 30	
	2019	2020	2021	**2022**	**2021**
REVENUE					
Revenue from services					
Rooms	₱34,759,555	₱39,046,904	₱34,558,988	**₱31,695,100**	**₱10,942,416**
Other operating departments	220,282	23,634	34,052	**9,558**	**39,245**
Miscellaneous	139,367	40,019	125,802	**4,370**	**13,395**
	35,119,204	39,110,557	34,718,842	**31,709,028**	**10,995,056**
COST OF SERVICES	18,632,457	13,720,374	12,612,415	**16,097,472**	**4,879,455**
GENERAL AND ADMINISTRATIVE EXPENSES	19,787,888	21,732,724	19,949,628	**14,209,428**	**8,145,074**
OTHER INCOME (EXPENSE)					
Interest income	16,996	30,389	35,191	**9,467,928**	**-**
Interest expense	-	(472,985)	(43,449)	**93,013**	**10,560**
Other income	-	-	1,197,514	**-**	**(37,462)**
	16,996	(442,596)	1,189,256	**9,560,941**	**(26,902)**
INCOME (LOSS) BEFORE INCOME TAX	(3,284,145)	3,214,863	3,346,055	**10,963,069**	**(2,056,375)**
PROVISION FOR (BENEFIT FROM) INCOME TAX	3,399	(23,141)	834,806	**2,801,042**	**21,091**
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	(₱3,287,544)	₱3,238,004	₱2,511,249	**₱8,162,027**	**(₱2,077,466)**

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE			
Revenue from services			
Rooms	**₱80,368,185**	₱34,559,988	₱39,046,904
Other operating departments	**767,124**	34,052	23,634
Miscellaneous	**737,716**	125,802	40,019
	81,873,025	34,718,842	39,110,557
COST OF SERVICES	**44,026,324**	12,612,415	13,720,374
GENERAL AND ADMINISTRATIVE EXPENSES	**33,015,365**	19,949,628	21,732,724

OTHER INCOME (EXPENSE)			
Income from Insurance claims	**9,467,928**	–	–
Interest income	**823.206**	35,191	30,389
Interest expense	–	(43,449)	(472,985)
Other income	–	1,197,514	–
	10,291,134	1,189,256	(442,596)
INCOME BEFORE INCOME TAX	**15,122,470**	3,346,055	3,214,863
PROVISION FOR (BENEFIT FROM) INCOME TAX	**3,740,634**	834,806	(23,141)
NET INCOME / TOTAL COMPREHENSIVE INCOME (LOSS)	**₱11,381,836**	₱2,511,249	₱3,238,004

STATEMENTS OF FINANCIAL POSITION

	December 31			June 30
	2019	2020	2021	**2022**
ASSETS				
Current Assets				
Cash	₱24,748,148	₱7,028,570	₱60,507,260	**₱96,166,023**
Receivables	4,794,648	49,988,938	12,817,984	**4,309,578**
Due from related parties	547,396	342,737	-	**-**
Inventories	1,033,376	1,304,449	1,164,062	**1,205,350**
Other currents assets	1,186,812	3,652,531	5,198,175	**2,852,858**
Total Current Assets	32,310,380	62,317,225	79,687481	**104,532,809**
Noncurrent Assets				
Advances to suppliers - net of current portion	-	-	-	**130,534**
Property and equipment	-	-	-	**363,550**
Right-of-use asset	-	1,209,154	-	**-**
Software cost	-	593,916	478,161	**365,578**
Deferred tax asset	-	29,219	-	**-**
Total Noncurrent Assets	-	1,832,289	478,161	**859,662**
	₱32,310,380	₱64,149,514	₱80,165,642	**₱105,392,471**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	₱9,432,220	₱38,248,503	₱41,330,154	**₱55,855,357**
Contract liabilities	884,022	712,658	726,507	**1,142,075**
Due to related parties	24,885,682	23,535,342	35,251,272	**37,375,303**
Lease liability	-	1,306,551	-	**-**
Total Liabilities	35,201,924	63,803,054	77,307,933	**94,372,735**
Equity (Capital Deficiency)	-	-	-	**-**
Capital stock (Note 13)	400,000	400,000	400,000	**400,000**
Retained earnings (Deficit)	(3,291,544)	(53,540)	2,457,709	**10,619,736**
Total Equity (Capital Deficiency)	(2,891,544)	346,460	2,857,709	**11,019,736**
	₱32,310,380	₱64,149,514	₱80,165,642	**₱105,392,471**

STATEMENTS OF FINANCIAL POSITION

	Years ended December 31		
	2022	2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents	**₱93,150,373**	₱60,507,260	₱7,028,570
Receivables	**11,536,941**	12,817,984	49,988,938
Due from related parties	**4,083,206**	–	342,737
Inventories	**1,673,358**	1,164,062	1,304,449
Other currents assets	**1,524,101**	5,198,175	3,652,531
Total Current Assets	**111,967,979**	79,687,481	62,317,225
Noncurrent Assets			
Right-of-use asset	**–**	–	1,209,154
Property and equipment	**577,306**	–	
Software cost	**383,529**	478,161	593,916
Deferred tax asset			29,219
Total Noncurrent Assets	**960,835**	478,161	1,832,289
	₱112,928,814	₱80,165,642	₱64,149,514
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	**₱68,078 ,227**	₱41,330,154	₱34,198,503
Contract liabilities	**3,200,181**	726,507	712,658
Due to related parties	**27,410,861**	35,251,272	27,585,342
Lease liability	**–**	–	1,306,551
Total Liabilities	**98,689,269**	77,307,933	63,803,054
Equity			
Capital stock	**400,000**	400,000	400,000
Retained earnings (deficit)	**13,839,545**	2,457,709	(53,540)
Total Equity	**14,239,545**	2,857,709	346,460
	₱112,928,814	₱80,165,642	₱64,149,514

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The following discussion of the Company's recent financial results should be read in conjunction with the auditors' reports and the Company's audited financial statements and notes thereto contained in this Prospectus. The summary financial information presented below was derived from the audited financial statements of the Company, prepared in accordance with PFRS and audited by SGV & Co. in accordance with the PSA.

STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30			
	2022	2021	Change Increase (Decrease) Php	%
REVENUE				
Revenue from services				
Rooms	**₱31,695,100**	₱10,942,416	₱20,752,684	190%
Other operating departments	**9,558**	39,245	(29,687)	-76%
Miscellaneous	**4,370**	13,395	(9,025)	-67%
	31,709,028	10,995,056	20,713,972	188%
COST OF SERVICES	**16,097,472**	4,879,455	11,218,017	230%
GENERAL AND ADMINISTRATIVE EXPENSES	**14,209,428**	8,145,074	6,064,354	74%
OTHER INCOME (EXPENSE)				
Income from insurance claims	**9,467,928**	-	9,467,928	100%
Interest income	**93,013**	10,560	82,453	781%
Interest expense	**-**	(37,462)	37,462	100%
	9,560,941	(26,902)	9,587,843	35640%
INCOME (LOSS) BEFORE INCOME TAX	**10,963,069**	(2,056,375)	13,019,444	633%
PROVISION FOR INCOME TAX	**2,801,042**	21,091	2,779,951	13181%
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	**₱8,162,027**	(₱2,077,466)	₱10,239,493	493%

Revenue
The Company primarily derives its revenue from room-related services and other operating departments. For the six months ended June 30, 2022 total revenue registered a significant increase of Php20.7 million from Php10.9, million for the six months ended June 30, 2021, 188% increase mainly due to reopening of hotel operations as domestic and international travel gradually reduced restrictions.
Decrease in revenue from other operating department of 76% attributed to decline in revenue from outsourced spa services and transportation.

Cost of Services
Cost of Services primarily comprise of utilities, salaries and wages, linens, commission, laundry, operating supplies, telecom, e-commerce fee, contract services and other expenses directly related to rooms
Cost of services amounted to Php16.1 million and Php4.8 million for the six months ended June 30, 2022 and 2021, respectively. Increase in cost of services of 230% or Php11.2 million, primarily driven by increase in variable cost directly related to the increase in occupancy rate.

General and Administrative Expenses
This consists of salaries, wages and benefits, repairs and maintenance, system costs, security services, sales expense, management fees, e-commerce fee, telecommunication, corporate reimbursement, insurance

premium, taxes and licenses, travel and transportation, contract services, admin fee , credit and collection, representation and entertainment depreciation, printing and office supplies, medical expenses professional fees and other miscellaneous expenses. For the six months ended June 30, 2022 and 2021, general and administrative expense resulted Php6.1million increase from Php8.1million in 2021 to Php14.2 million in 2022 attributed to increase in operational cost related to increase in revenue

Other Income

Other Income comprises income from insurance claim, interest expense and interest income earned from deposits. For the six months ended June 30, 2022, other income increased to Php9.6 million. Significant movement attributed to income from insurance claim from operational losses due to Taal Eruption.

Provision for Income tax

For the six months ended June 30, 2022 and 2021, provision for current income tax and deferred tax are recognized based on 25% effective income tax rate. As of June 30, 2021, the Company did not recognize deferred tax asset on the temporary difference arising from NOLCO. Significant Increase in provision from income tax of Php2.8million, primarily due to net income earned subject to tax for the period.

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	2022	2021	Change Inc (Dec) Php	%
REVENUE				
Revenue from services				
Rooms	**₱80,368,185**	₱34,558,988	₱45,809,197	133%
Other operating departments	**767,124**	34,052	733,072	2153%
Miscellaneous	**737,716**	125,802	611,914	486%
	81,873,025	34,718,842	47,154,183	136%
COST OF SERVICES	**44,026,324**	12,612,415	31,413,909	249%
GENERAL AND ADMINISTRATIVE EXPENSES	**33,015,365**	19,949,628	13,065,737	65%
OTHER INCOME (EXPENSE)				
Income from Insurance claims	**9,467,928**	–		0%
Interest income	**823,206**	35,191	788,015	2239%
Interest expense	**–**	(43,449)	43,449	(100%)
Other income	**–**	1,197,514	(1,197,514)	(100%)
	10,291,134	1,189,256	9,101,878	765%
INCOME BEFORE INCOME TAX	**15,122,470**	3,346,055	11,776,415	352%
PROVISION FOR INCOME TAX	**3,740,634**	834,806	2,905,828	348%
NET INCOME / TOTAL COMPREHENSIVE INCOME (LOSS)	**₱11,381,836**	₱2,511,249	₱8,870,587	353%

For the year ended Dec 31, 2022 the company achieved a net income of Php11.4 million compared to Php2.5 million in 2021. Significant increase amounting to Php8.9 million or 353% primarily due to income from insurance proceeds. In 2022, income from hotel operations also exceeded prior year performance, increase was mainly driven by the growth in occupancy as domestic and international travel gradually reduced travel restriction during the year.

Revenue

The Company primarily derives revenue from room-related services and services from other operating departments. For the year ended Dec 31, 2022, total revenue registered a substantial increase of Php47.2 million from Php34.7million, 136% increase was mainly due to growth in room nights heavily relied in Leisure Market.

As of Dec 31, 2022, miscellaneous revenue and revenue from other operating department showed an upward trend with a total growth of 1.3million. Increase attributed to income generated from other sources, such as but not limited to spa, transportation, minibar etc.

Cost of Services
Cost of Services primarily comprise of utilities, rental, salaries and wages, commission, operating supplies, linens, laundry, e-commerce fee, spa services, telecommunication, travel and transportation, contracted services and other expenses directly related to rooms.
As of year-end Dec 31, 2022, Cost of services jumped to Php44 million from Php12.6 million in 2021. Material increases of 249% or Php31.4million was driven by the increase in variable cost directly related to the increase in occupancy, coupled with the variable lease payment incurred at the end of the year for the lease of hotel premises.

General and Administrative Expenses
This account consists of salaries, wages and benefits, corporate reimbursements, repairs and maintenance, management fees, security services, e-commerce fee, system cost, telecommunication, travel and transportation, credit and collection, insurance premium, contracted services, administrative fee, sales expense, representation and entertainment, depreciation, taxes and licenses, professional fees, office supplies, rental, medical expenses, and other miscellaneous expenses. For the year ended December 31, 2022 and 2021, general and administrative expense resulted to Php13.1million increase, from Php19.9million in 2021 to Php33.0million in 2022. 65% growth attributed to increased operational cost relative to the increase in revenue.

Other Income
Other Income comprises income from insurance claim, interest expense and interest income earned from deposits. For year ended Dec 31, 2022, other income increased by Php9.1million. Significant movement attributed to proceeds from insurance claim from operational losses brought by Taal Eruption.

Provision for Income tax
As of Dec 31, 2022 and 2021, provision for current income tax and deferred tax are computed based on 25% effective income tax rate. As of Dec 31, 2022 the Company did not recognize deferred tax asset on the temporary difference arising from NOLCO. Significant increase in provision from income tax of Php2.9million, primarily due to net income earned subject to tax for the period.

STATEMENTS OF FINANCIAL POSITION

	30-Jun-22	31-Dec-21	Change Increase (Decrease)	
			Php	%
ASSETS				
Current Assets				
Cash and cash equivalents	**₱96,166,023**	₱60,507,260	₱35,658,763	59%
Receivables	**4,308,578**	12,817,984	(8,509,406)	-66%
Inventories	**1,205,350**	1,164,062	41,288	4%
Other currents assets	**2,852,858**	5,198,175	(2,345,317)	-45%
Total Current Assets	**104,532,809**	79,687,481	24,845,328	31%
Noncurrent Assets				
Advances to suppliers - net of current portion	**130,534**	-	130,534	100%
Property and equipment	**363,550**	-	363,550	100%
Software costs	**365,578**	478,161	(112,583)	-24%

Total Noncurrent Assets	**859,662**	478,161	381,501	80%
	₱105,392,471	₱80,165,642	₱25,226,829	31%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**₱55,855,357**	₱41,330,154	₱14,525,203	35%
Contract liabilities	**1,142,075**	726,507	415,568	57%
Due to related parties	**37,375,303**	35,251,272	2,124,031	6%
Total Liabilities	**94,372,735**	77,307,933	17,064,802	22%
Equity				
Capital stock	**400,000**	400,000	-	0%
Retained earnings	**10,619,736**	2,457,709	8,162,027	332%
Total Equity	**11,019,736**	2,857,709	8,162,027	286%
	₱105,392,471	₱80,165,642	₱25,226,829	31%

Cash and Cash equivalents
This account consists of cash on hand, cash in bank and short-term investment that earns interest at the prevailing rate of 0.25%. For the six months ended June 30, 2022 total cash balance significantly increased to Php96.2 from Php60.5 million as of Dec 31, 2021, increase was attributed to increase in operating cash flow due to upward trend in revenue, collection of receivables and proceeds from insurance claim.

Receivables
This account pertains to receivable from Corporate, travel agency and individuals, in-house guests and from banks for sales settled through credit cards. For the six months ended June 30, 2022, total receivables amounted to Php4.3 million and Php12.8 million as of Dec 31, 2021. Decrease of Php8.5million or 66%, primarily from collection of government outstanding accounts as of June 30, 2022.

Inventories
This account consists of supplies (including guest, engineering, cleaning, and other operating supplies used to assist in day-to-day operations of the company) and fuel. Total inventories amounted to Php1.2 million and Php1.2million as of June 30, 2022 and Dec 2021, respectively.

Other current assets
Other Assets consist of advances to employees, creditable withholding taxes, prepaid expenses, advances to suppliers and prepaid tax.

Advances to employees refer to advances for meals, travel, courier expenses and other expenses arising from the ordinary course of business.

Prepaid expenses pertain to prepayments on insurance and subscription.

Advances to suppliers represent payments made in advance for the guest supplies and software costs. These advances will be applied against the future billings of the Company’s suppliers.
For the six months ended June 30, 2022, other assets went down to Php2.9 million from Php 5.2 million, as of Dec 31, 2021. Decrease of 45% mainly due to the application of creditable withholding tax to income tax due for the period amounting to Php 2.8million

Noncurrent Assets

Noncurrent assets consist of noncurrent portion of advances to suppliers, property and equipment and software cost.

Non-current assets amounted to Php0.9 million and Php0.5million for the six months ended June 30, 2022 and as of Dec 31, 2021, respectively. Increase of 80% or Php0.4 million, primarily due to equipment and software additions during the period.

Due to related parties
The company has entered various transaction with related parties that are unsecured, interest-free and require settlement in cash, unless otherwise stated.

a. Filinvest Hospitality Inc., an affiliate, charges annual admin fee equivalent to one percent (1%) of the Company's gross operating revenue for receiving various administrative functions. For the six months ended June 30, 2022, the Company recognized admin fee amounted to Php0.3 million
b. Filinvest Land Inc., an affiliate, advanced the Company's funding to support its pre-operations and initial working capital to support its operations.
   FLI further entered into a lease agreement with the company for the lease of space wherein the Company agreed to pay variable lease payments equivalent to the Company's net income less outstanding receivables. In 2022, the Company and FLI confirmed that the composition of condotel revenue considered in the net income computation per its lease agreement to exclude proceeds from insurance claims, income generating activities from use of function rooms, parking fees and food and beverage operations, among others. For the six months ended June 30, 2022 and 2021, the Company did not incur rent expense. The lease agreement shall be terminated effective on the date of the issuance by the SEC of the Order of Registration and Permit to Sell for the Certificates. Given the foregoing, the lease agreement between FLI and FOSI poses no risk to the Certificate Holders.
c. Fora Restaurants, Inc., an affiliate charges its revenue from food and beverage packages to the Company as part of the guest's charges. Balances amounted to Php8.3 million and Php6.6 as of June 30, 2022 and Dec 31, 2021, respectively.
d. Chroma Hospitality Inc, an entity jointly controlled by FDC manages the operation of the hotel in lieu of management fee. Balances amounted to Php1.4 million and Php1.0 million as of June 30, 2022 and Dec 31, 2021, respectively.
e. EHSI and PSRI, an affiliate, charges the Company for intercompany expenses.
f. Corporate Technologies Inc., an affiliate, charges the company for telecommunication and IT solutions expenses. For the six months ended June 30, 2022 and as of Dec 31, 2022, outstanding balances amounted to Php8.1 million and Php8.1 million, respectively.

Accounts and Other Payables
This account consists of payables to suppliers and service providers for various acquisitions of goods and services, payables of local taxes, VAT and withholding taxes, accruals of rental, telephone, light and water, salaries and security services used in the operations of the Company. For the six months ended June 30, 2022 and December 31, 2021, Accounts and other payables amounted to Php55.9 million and Php41.3 million, respectively. Increase of 35% or Php14.5million mainly due to additional accrual of electricity, contract services, system and operating requirements incurred during the period.

Contract Liabilities
Contract liabilities represents obligation to provide services to the customer for which the Company has received consideration.

For the six months ended June 30, 2022, contract liabilities amounted to Php1.1 million and Php0.7 million as of Dec 31, 2021. Increase of 57% attributed to additional deposits from guests from room reservation/ advance booking.

Equity

Overall increase of Php8.2million mainly due to the increase in retained earnings as a result of net

Performance Indicators	**JUNE 30. 2021**	**DEC 31. 2021**	
Current Ratio	1.11	1.03	*Current ratio is calculated by dividing total current assets over total current liabilities.*
Debt Ratio	0.90	0.96	*Debt ratio is computed as total liabilities over total assets.*
Net Profit Margin	0.26	0.07	*Net Profit margin is the result of net income after dividing total revenue*
Return on Equity	0.74	0.88	*Return on Equity is calculated by dividing net income over total equity.*
Return on Assets	0.09	0.03	*Return on Assets is computed as net income divided by average total assets*

STATEMENTS OF FINANCIAL POSITION

	December 31			
	2022	2021	Change Increase (Decrease) Php	%
ASSETS				
Current Assets				
Cash and cash equivalents	**₱93,150,373**	₱60,507,260	₱32,643,113	54%
Receivables	**11,536,941**	12,817,984	(1,281,043)	-10%
Due from related parties	**4,083,206**	-	4,083,206	0%
Inventories	**1,673,358**	1,164,062	509,296	44%
Other currents assets	**1,524,101**	5,198,175	(3,674,074)	-71%
Total Current Assets	**111,967,979**	79,687,481	32,280,498	41%
Noncurrent Assets			-	
Right-of-use asset				
Property and equipment	**577,306**	-	577,306	0%
Software cost	**383,529**	478,161	(94,632)	-20%
Total Noncurrent Assets	**960,835**	478,161	482,674	101%
	₱112,928,814	₱80,165,642	₱32,763,172	41%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**₱68,078,227**	₱41,330,154	₱26,748,073	65%
Contract liabilities	**3,200,181**	726,507	2,473,674	340%
Due to related parties	**27,410,861**	35,251,272	(7,840,411)	-22%
Lease liability	**–**	-	-	0%
Total Liabilities	**₱98,689,269**	₱77,307,933	₱21,381,336	28%
Equity				
Capital stock	**₱400,000**	₱400,000	-	0%
Retained earnings (deficit)	**13,839,545**	2,457,709	11,381,836	463%
Total Equity	**14,239,545**	2,857,709	11,381,836	398%
	₱112,928,814	₱80,165,642	₱32,763,172	41%

The company's ability to generate cash from operations and earnings from investments, reflects the capacity to meet commitments, support operations, finance capital expenditures and growth strategies.

Cash and Cash equivalents

This account consists of cash on hand, cash in bank, and short-term investment. As of Dec 31, 2022, the company ended with a total cash balance of Php93.2million, 54% growth from Php60.5million balance as of Dec 31,2021. The increase in cash was significantly attributed to the increase in operating cash flow due to upward trend in revenue, collection of receivables and proceeds from insurance claim.

Receivables

This account consists of receivable from Corporate, travel agency and individuals, receivable from in-house guests and from banks for sales settled through credit cards. As of December31, 2022, total receivable declined by 10% from Php12.8million as of Dec 31, 2021 as most of government outstanding accounts were collected during the year.

Inventories

This account consists of supplies (for guest, engineering, cleaning, and other operating supplies including fuel, used to assist in day-to-day operations of the company) Total inventories amounted to Php1.7million and Php1.2million, in 2022 and 2021, respectively.

Other Current Assets

Other current assets comprise of advances to suppliers, employees, creditable withholding tax and other prepaid taxes.

The company ended the year with total current assets of Php1.5million. The decrease of 71% or Php3.7 million from prior year Dec 31, 2021 primarily reflects application of creditable withholding tax to income tax liability along with amortization of prepaid expense.

Noncurrent Assets

Noncurrent assets consist of property and equipment and software cost.

As of yearend Dec 31, 2022 total noncurrent assets registered an increase of 101% or Php0.5 million, primarily due to equipment and software additions during the period.

Due to related parties

The company has entered various transaction with related parties that are unsecured, interest-free and require settlement in cash, unless otherwise stated.

a. East West Banking Corporation, an entity under common control with FDC. The company maintains cash balance amounted to Php85.3million and Php53million as of Dec 31, 2022 and Dec 31, 2021.
b. The Company entered into an agreement with FHC, wherein the Company is annually charged with admin fee equivalent to one percent (1%) of the Company's gross operating revenue for receiving various administrative functions. For the year ended December 31, 2022, the Company recognized admin fee of P0.823 million
c. In 2022 Filinvest Land Inc., an affiliate, agreed to receive variable lease payments equivalent to the Company's net income less outstanding receivables. For the year ended December 31, 2022 the company incurred rent expense amounting to 9.23million. The lease agreement shall be terminated effective on the date of the issuance by the SEC of the Order of Registration and Permit to Sell for the Certificates. Given the foregoing, the lease agreement between FLI and FOSI poses no risk to the Certificate Holders.
d. Fora Restaurants, Inc., an affiliate charges its revenue from food and beverage packages to the Company as part of the guest's charges. Balances amounted to Php5.1 million and Php 6.6 as of December 31, 2022 and Dec 31, 2021, respectively.

e. Chroma Hospitality Inc, an entity jointly controlled by FDC manages the day-to-day operation of the Condotel. Balances amounted to Php1.6 million and Php0.9 million as of December 31, 2022 and Dec 31, 2021, respectively.
f. EHSI an affiliate, charges the Company for intercompany expenses.
g. Corporate Technologies Inc., an affiliate, charges the company for telecommunication and IT solutions expenses. For the year ended December 31, 2022 and as of Dec 31, 2021, outstanding balances amounted to Php2.4 million and Php8.08 million, respectively.
h. As of December 31, 2022, the company charges intercompany expenses amounting to Php4.1 million These transactions are reimbursements of shared expenses such as but not limited to employee meals, utilities, internet, IT related and admin costs

Accounts and Other Payables
This account consists of payables to suppliers and service providers for various acquisitions of goods and services, payables of local taxes, VAT and withholding taxes, accruals of rental, telephone, light and water, salaries and security services used in the operations of the Company. For the year ended December 31, 2022 and December 31, 2021, Accounts and Other Payables amounted to Php68 million and Php41 million, respectively. Increase of Php.3million was mainly due to accrual of electricity, accrual of contract services, system and operating requirements recognized during the period.

Contract Liabilities
Contract liabilities represents obligation to provide services to the customer for which the Company has received consideration.

Contract receivable amounted to Php3.2 million and Php.7 million as of December 31, 2022, and December 31, 2021, respectively. Increase of 57% attributed to additional deposits from guests from room reservation/ advance booking.

Performance Indicators	**2022**	**2021**	
Current Ratio	1.13	1.03	*Current ratio is calculated by dividing total current assets over total current liabilities.*
Debt Ratio	0.87	0.96	*Debt ratio is computed as total liabilities over total assets.*
Net Profit Margin	0.14	0.07	*Net Profit margin is the result of net income after dividing total revenue*
Return on Equity	0.80	0.88	*Return on Equity is calculated by dividing net income over total equity.*
Return on Assets	0.12	0.03	*Return on Assets is computed as net income divided by average total assets*

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	2021	2020	Change Increase (Decrease)	
			Php	%
REVENUE				
Revenue from services				
Rooms	**₱34,558,988**	₱39,046,904	(₱4,487,916)	-11%
Other operating departments	**34,052**	23,634	10,418	44%

Miscellaneous	**125,802**	40,019	85,783	214%
	34,718,842	39,110,557	(4,391,715)	-11%
COST OF SERVICES	**12,612,415**	13,720,374	(1,107,959)	-8%
GENERAL AND ADMINISTRATIVE EXPENSES	**19,949,628**	21,732,724	(1,783,096)	-8%
OTHER INCOME (EXPENSE)				
Interest income	**35,191**	30,389	4,802	16%
Interest expense	**(43,449)**	(472,985)	429,536	-91%
Other income	**1,197,514**	-	1,197,514	100%
	1,189,256	(442,596)	1,631,852	369%
INCOME BEFORE INCOME TAX	**3,346,055**	3,214,863	131,192	4%
PROVISION FOR (BENEFIT FROM) INCOME TAX	**834,806**	(23,141)	857,947	-3707%
NET INCOME / TOTAL COMPREHENSIVE INCOME	**₱2,511,249**	₱3,238,004	(₱726,755)	-22%

Revenue
The company's main source of revenue for years 2021 and 2020 was the quarantine business. For the year ended December 31, 2022, total revenue dropped by Php4.5 million or 11% from Php39.0 million in 2020 to Php34.6 million in 2021. Decline generally due to pandemic and temporary closure of the property due to Taal eruption and raising of alert level. This caused the average monthly revenue to decrease from pre-pandemic level.

Cost of Services
The decrease of Php1.8 million or 8% was attributed to the decline in room business. Variable expenses generally went down due to low occupancy coupled with low utility cost and telecommunication expense.

General and Administrative Expense:
Decreased by 8% from Php21.7milllion in 2020 to Php19.9million in 2021 mainly due to the following:
The decrease in E-Commerce fee amounted to Php.9million was due to low commission paid to OTAs.
Incentive management fee also decreased by Php2.8million attributed to the decrease in GOP as a result of lower revenue.

Sales Office Expenses decreased in 2021 by Php0.9million due to limited sales activities brought by quarantine restrictions.

Other Income (Expense)
Increase of 16% in interest income primarily due to the interest earned from increased cash in bank balance for 2021.

Interest expense decreased by 91% due to the recognition of interest on lease liability from lease contract with CTI.

Other income amounting to Php1.2 million pertains to payable written-off and represents reduction to Cost of Sales and Operating expenses amounting to Php0.53million and Php0.67million, respectively. There was no other income in 2022 and 2020.

For the year ended December 31, 2021, amidst the treat of covid-19, the company reported a net income of Php2.5 million that is lower by 22% as compared to year end Dec 31, 2020. Decrease primarily due to higher provision for income tax recognized in 2021 than prior year 2020.

STATEMENTS OF FINANCIAL POSITION

	December 31			
	2021	2020	Change Increase (Decrease) Php	%
ASSETS				
Current Assets				
Cash and cash equivalents	**₱60,507,260**	₱7,028,570	₱53,478,690	761%
Receivables	**12,817,984**	49,988,938	(37,170,954)	-74%
Due from related parties	**–**	342,737	(342,737)	-100%
Inventories	**1,164,062**	1,304,449	(140,387)	-11%
Other currents assets	**5,198,175**	3,652,531	1,545,644	42%
Total Current Assets	**79,687,481**	62,317,225	17,370,256	28%
Noncurrent Assets			-	
Right-of-use asset	**–**	1,209,154	(1,209,154)	-100%
Software cost	**478,161**	593,916	(115,755)	-19%
Deferred tax asset	**–**	29,219	(29,219)	-100%
Total Noncurrent Assets	**478,161**	1,832,289	(1,354,128)	-74%
	₱80,165,642	₱64,149,514	₱16,016,128	25%
			-	
LIABILITIES AND EQUITY			-	
Current Liabilities			-	
Accounts and other payables	**₱41,330,154**	₱34,198,503	₱7,131,651	21%
Contract liabilities	**726,507**	712,658	13,849	2%
Due to related parties	**35,251,272**	27,585,342	7,665,930	28%
Lease liability	**–**	1,306,551	(1,306,551)	-100%
Total Liabilities	**77,307,933**	63,803,054	13,504,879	21%
Equity				
Capital stock	**400,000**	400,000	-	0%
Retained earnings (deficit)	**2,457,709**	(53,540)	2,511,249	-4690%
Total Equity	**2,857,709**	346,460	2,511,249	725%
	₱80,165,642	₱64,149,514	₱16,016,128	25%

Cash and Cash equivalents
As of yearend December 31, 2021, cash balance amounted to Php60.5 million and Php7.0 million as of December 31, 2020. The increase in cash was significantly attributed to the collection of 2020 accounts receivable mostly from government-related accounts.

Receivables
The decrease in receivables amounted to Php37.2million or 74% was greatly due to collections. In 2021, total receivables amounted to Php12.8 million, Php9.4 million of which pertains to receivables from government agencies resulting from contract agreements as COVID 19 quarantine facility. In 2020, total receivables amounted to P50.0 million, were receivables from government agencies and were fully collected in 2021.

Inventories
As of yearend December 31, 2021, and 2020, inventory balance amounted to Php1.2 million and Php1.3 million, respectively. The decrease of 11% was attributed to low occupancy level of the hotel due to limited purchases of general supplies.

Other Assets
Other Assets increased from Php3.7 million in 2020 to Php5.2 million in 2021. Increase of 42% in 2021 attributed to increase in creditable withholding tax amounted to Php2.0 million.

Non-current Assets
Total non-current assets decreased by 74% from Php1.8million in 2020 to Php0.5 million in 2021. Decline largely due to the right of use asset that was reported nil in 2021, as the lease contract

Accounts and other payables
The increase of 21% was mainly due to accruals for electricity, OPEQ, linens and server expenses.

Contract liabilities
Increase due to additional guest deposits for the year

Due to related parties
Increased by 28% mainly due to intercompany charges still unpaid to FRI as of yearend Dec 31, 2021

Lease liability
Nil as of yearend 2021 primarily due to expiration of contract of lease with CTI on September 30, 2021.

Equity
Increase of Php2.5million in retained earnings mainly due to net income earned during the year.

Performance Indicators	**2021**	**2020**	
Current Ratio	1.03	0.98	*Current ratio is calculated by dividing total current assets over total current liabilities.*
Debt Ratio	0.96	0.99	*Debt ratio is computed as total liabilities over total assets.*
Net Profit Margin	0.07	0.08	*Net Profit margin is the result of net income after dividing total revenue*
Return on Equity	0.88	9.35	*Return on Equity is calculated by dividing net income over total equity.*
Return on Assets	0.03	0.07	*Return on Assets is computed as net income divided by average total assets*

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	2020	2019	Change Increase (Decrease)	
			Php	%
REVENUE				
Revenue from services				
Rooms	**₱39,046,904**	₱34,759,555	₱4,287,349	12%
Other operating departments	**23,634**	220,282	(196,648)	-89%
Miscellaneous	**40,019**	139,367	(99,348)	-71%

	39,110,557	35,119,204	3,991,353	11%
COST OF SERVICES	**13,720,374**	18,632,457	(4,912,083)	-26%
GENERAL AND ADMINISTRATIVE EXPENSES	**21,732,724**	19,787,888	1,944,836	10%
OTHER INCOME (EXPENSE)				
Interest income	**30,389**	16,996	13,393	79%
Interest expense	**(472,985)**	-	-472,985	100%
	(442,596)	16,996	(459,592)	-2704%
INCOME (LOSS) BEFORE INCOME TAX	**3,214,863**	(3,284,145)	6,499,008	-198%
PROVISION FOR (BENEFIT FROM) INCOME TAX	**(23,141)**	3,399	(26,540)	-781%
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	**₱3,238,004**	(₱3,287,544)	₱6,525,548	-198%

Revenue
Total revenue increased by Php4.0 million from Php35.1 million in 2019 to Php39.10 million in 2020, Increase of 11% generally due to increased production from sales generated from government accounts.

Revenue from other operating department decreased by Php0.2 million or 89% attributed to low imcome from outsourced spa services and transportation.

Cost of Services
Cost of services amounted to Php13.7 million, and Php18.6 million for the year ended December 31, 2020, and 2019, respectively. Decrease of Php4.9million, primarily due to decline in salaries and wages, commission and travel cost tempered by the increase in utilities.

General and Administrative Expenses
General and administrative increased by Php1.9 million or 10% to Php21.7 million in 2020 from Php19.8 million in 2019. Increase mainly due to depreciation from the lease contract with related party, affiliate CTI.

Other Income (Expense)
Interest income increased by 79%, mainly due to income earned from short-term deposits .
Interest expense increased by Php 0. 5 million from nil in prior year due to recognition of interest expense from lease liability.

Despite the effect of Covid 19- pandemic, FOSI reported significant increase in Net income of 198% or Php6.5 million from (Php3.3) million in 2019 to Php3.2 million in 2020. The increase was driven by room revenue generated from government accounts.

STATEMENTS OF FINANCIAL POSITION

	December 31			
	2020	2019	Change Increase Php	(Decrease) %
ASSETS				
Current Assets				
Cash	**₱7,028,570**	₱24,748,148	(₱17,719,578)	-72%
Receivables	**49,988,938**	4,794,648	45,194,290	943%

Due from related parties	**342,737**	547,396	(204,659)	-37%
Inventories	**1,304,449**	1,033,376	271,073	26%
Other currents assets	**3,652,531**	1,186,812	2,465,719	208%
Total Current Assets	**62,317,225**	32,310,380	30,006,845	93%
Noncurrent Assets			-	
Right-of-use asset	**1,209,154**	-	1,209,154	100%
Software cost	**593,916**	-	593,916	100%
Deferred tax asset	**29,219**	-	29,219	100%
Total Noncurrent Assets	**1,832,289**	-	1,832,289	100%
	₱64,149,514	₱32,310,380	₱31,839,134	99%
			-	
LIABILITIES AND EQUITY			-	
Current Liabilities			-	
Accounts and other payables	**₱34,198,503**	₱9,432,220	₱24,766,283	263%
Contract liabilities	**712,658**	884,022	(171,364)	-19%
Due to related parties	**27,585,342**	24,885,682	2,699,660	11%
Lease liability	**1,306,551**	-	1,306,551	100%
Total Liabilities	**63,803,054**	35,201,924	28,601,130	81%
Equity (Capital Deficiency)			-	
Capital stock (Note 13)	**400,000**	400,000	-	0%
Retained earnings (Deficit)	**(53,540)**	(3,291,544)	3,238,004	98%
Total Equity (Capital Deficiency)	**346,460**	(2,891,544)	3,238,004	-112%
	₱64,149,514	₱32,310,380	₱31,839,134	99%

Cash and Cash equivalents
Decline in cash balance of 72% from Php24.7million in 2019 to Php7.0 million in 2020 was due to decrease in net operating cash flow. Although the company yielded positive net income, total cash went down as of December 31, 2020, due to delay in collection of receivables and additional outflow from investing activity from acquisition of software

Receivables
Significant increase was due to higher realized revenue during the year along with delay in collection of receivables as of yearend 2020

Due from Related Parties
Decrease of 37% from Php0.5million in 2019 to Php.3million in 2020 mainly due to payments of intercompany related expenses

Inventories
Increase attributed to additional operating supplies and fuel as of yearend Dec 31, 2020

Other Current Assets
Substantial increase of Php2.5million from 1.2 million in 2019 to Php3.7 million in 2020 was due to increase in prepayment, creditable withholding tax and advances.

Non-Current Assets
Non-current assets consist of ROU from lease contract with affiliate CTI, software cost and deferred tax. ROU and software cost resulted to Php1.2 million and Php0.6 million, as of yearend Dec 31, 2020, from nil as of Dec 31, 2019.

Accounts and Other Payables
Material increases of Php24.7million from Php9.4million in 2019 to Php34.2million in 2020 mainly due to increased contracts with suppliers, service providers, accruals of utilities and contract of lease with affiliate-CTI.

Contract Liability
Decrease in contract liability of 19% primarily due to guest refund from the guaranteed reservation brought by Covid 19- pandemic

Due to Related Parties
As of Dec 31, 2020 due to related party increased by Php2.7million from Php24.9million balance in 2019, primarily due to charges related to telecommunication and system expenses.

Lease Liability
As of December 31, 2022, the company reported lease liability of Php1.3million and nil as of 2019. Lease liability emerged from lease contract with affiliate CTI.

Equity
Deficit in RE decreased by 3.2million from Php3.3million in 2019 to Php0.1million in 2020 mainly due to reported Net income of Php3.2million as of Dec 31, 2020, netted off against deficit from 2019.

Performance Indicators	**2020**	**2019**	
Current Ratio	0.98	0.92	*The current ratio is calculated by dividing total current assets over total current liabilities.*
Debt Ratio	0.99	1.09	*The debt ratio is computed as total liabilities over total assets.*
Net Profit Margin	0.08	(0.09)	*Net Profit margin is the result of net income after dividing total revenue*
Return on Equity	9.35	1.14	*Return on Equity is calculated by dividing net income over total equity.*
Return on Assets	0.07	0.17	*Return on Assets is computed as net income divided by average total assets*

Other Matters

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Issuer's liquidity increasing or decreasing in any material way. The Issuer is not in default or breach of any note, loan, lease or other indebtedness of financing arrangement.

There are no events that will trigger direct or contingent financial obligation that is material to the Issuer, including any default or acceleration of obligation.

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

There are no known significant elements of income or loss that did not arise from the Issuer's continuing operations

While the unappropriated retained earnings as of December 31, 2022 exceeded 100% of the paid-up capital, management believes that increment appropriation will be done in light of anticipated repairs, restoration and maintenance of vital facilities and structures. Any residual excess may be subject to dividend declaration. The appropriate board resolutions shall be issued as and when necessary.

Plan of Operation

The construction of the Condotel was completed in September 2019. During this pre-operating period, Quest Hotel Tagaytay has procured and tested crucial equipment for the operations of the hotel such as utilities, back-of-house requirements, kitchen equipment and staff areas.

As of the date of this Prospectus, the amenities and facilities of the Condotel are already in soft operations. It is then expected that the Condotel Project is able to commence full commercial operations as soon as the SEC Permit to Sell is secured.

The total proceeds to be raised by the Issuer from the Offer will cover (1) pre-operating expenses covering six (6) months of salaries and wages, human resource training programs, sales and marketing activities, utilities and simulation costs; (2) Condotel Expenses for the first three (3) months of operations; (3) Technical Fee to third-party operator/s; (4) working capital buy-outs which includes, but not limited to, guest supplies, housekeeping equipment and cleaning supplies, engineering supplies, office furniture and office supplies, guest and service vehicle and information technology and communications.

After the utilization of the proceeds from the Offer, the Issuer will use the Condotel Revenue to satisfy its cash requirements for the next twelve (12) months, and will not secure additional funding or debt.

The Technical Services provided by CHI or any third-party operator cover all research and development in relation to the Condotel Project. Currently, the Issuer has no plans to engage any other third party to perform additional research and development of the Condotel Project.

The Issuer anticipates that it will complete its required manpower complement in the next twelve (12) months. The Issuer requires approximately 25 regular employees for its full commercial operations.

REGULATORY FRAMEWORK

The statements herein are based on the laws in force as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the regulatory and environmental considerations that may be relevant to the Issuer or the Offer.

A. REAL ESTATE

The Philippine property development industry is highly regulated at the national and local levels, including with respect to the suitability of building sites, road access, necessary community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability, lot sizes, size of housing blocks and house construction, allocation of projects for socialized housing and customers' ability to have their down payments refunded. The Group currently enjoys a variety of tax incentives, including with respect to low cost and socialized housing projects.

Regulation of Real Estate Development in the Philippines

PD 957, Batas Pambansa Bilang 220 ("**BP 220**"), RA 4726 and RA 7279 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957, BP 220, RA 4726 and RA 7279 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with LGUs, enforces these decrees and has jurisdiction to regulate the real estate trade and business.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by the HLURB and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government body or agency.

The development of subdivision and condominium projects can commence only after the relevant government body has issued the required development permit. The issuance of a development permit is dependent on, among other things: (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project and (ii) issuance of the barangay clearance, the locational clearance, DENR permits and DAR conversion or exemption orders, as discussed below.

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a License to Sell ("**LTS**") from the HLURB. Subdivision or condominium units may be sold or offered for sale only after an LTS has been issued by the HLURB. As a requisite for the issuance of an LTS by the HLURB, developers are required to file with the HLURB any of the following to guarantee the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with the applicable laws, rules and regulations:

- a surety bond callable upon demand equivalent to 20.0% of the development cost of the unfinished portion of the approved plan, issued by a duly accredited surety company (whether private or government), and acceptable to the HLURB;
- a real estate mortgage executed by the developer as mortgagor in favor of the Republic of the Philippines as mortgagee, represented by the HLURB, over property other than the land used for the project for which the license to sell in being obtained, free from any liens and encumbrance

and the value of such property, computed on the basis of the zonal valuation of the BIR, must be at least 20.0% of the total development cost; or

- other forms of security equivalent to 10.0% of the development cost of the unfinished portion of the approved plan which may be in the form of the following:
- a cash bond;
- a fiduciary deposit made with the cashier and/or disbursing officer of the HLURB;
- a certificate of guaranty deposit issued by any bank or financing institution of good standing in favour of the HLURB for the total development cost;
- a letter from any bank of recognized standing certifying that so much has been set aside from the bank account of the developer in favour of the HLURB, which amount may be withdrawn by the Chief Executive Officer of HLURB or his authorized representative, at any time the developer fails or refuses to comply with his duties and obligations under the bond contract; or
- any irrevocable credit line to be utilized in the development of the project from any bank of recognized standing and a refinancing re-structuring program indicating sources of funding from duly accredited funding institutions.

Real estate dealers, brokers and salesmen are also required to register and secure a certificate of registration with the HLURB before they can sell lots or units in a registered subdivision or condominium project. The certificate of registration will expire on the first day of December of each year.

Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB, by itself or upon a verified complaint from an interested party, for reasons such as involvement in fraudulent transactions, misrepresentation about the subdivision project or condominium project in any literature which has been distributed to prospective buyer. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with BP 220, a Philippine statute regulating the development and sale of real property as part of a condominium project or subdivision, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with PD 957, which sets out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision, with an area of one hectare or more, is required to reserve at least 30.0% of the gross land area of such subdivision for open space for common uses, which include roads, parks, playgrounds and recreational facilities.

Further, RA 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20.0% of the total subdivision area or total subdivision project cost, at the option of the developer; within the same city or municipality, whenever feasible, and in accordance with the standards set by the HLURB and other existing laws and regulations. Alternatively, the developer may opt to choose any of the following:

- development of new settlement;
- slum upgrading or renewal of areas for priority development either through zonal improvement programs or slum improvement and resettlement programs;
- joint-venture projects with either the LGU or any of the housing agencies; or
- participation in the community mortgage program.

Real Estate Sales on Installments

The provisions of Republic Act No. 6552, or the Maceda Law, apply to all transactions or contracts involving the sale or financing of real estate on installment payments (including residential condominium units but excluding industrial lots and commercial buildings and sales to tenants under RA 3844). Under the provisions of the Maceda Law, where a buyer of real estate has paid at least two years of installments, the buyer is entitled to the following rights in case of a default in the payment of succeeding installments:

- To pay, without additional interest, the unpaid installments due within the total grace period earned by him, which is fixed at the rate of one month for every one year of installment payments made. However, this right may be exercised by the buyer only once every five years during the term of the contract and its extensions, if any.
- If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to 50.0% of the total payments made, and in cases where five years of installments have been paid, an additional 5.0% every year (but with a total not to exceed 90.0% of the total payments). However, the actual cancellation of the contract shall take place after thirty days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

The computation of the total number of installment payments made includes down payments, deposits, or options on the contract.

In the event that the buyer has paid less than two years of installments, the seller shall give the buyer a grace period of not less than 60 days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after 30 days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Notably, the buyer has the right to sell or assign his or her rights to another person or to reinstate the contract by updating the account during the grace period and before actual cancellation of the contract. The deed of sale or assignment shall be done by notarial act.

Nationality Restrictions

As provided in the Eleventh Regular Foreign Investment Negative List promulgated on October 29, 2018 (in relation to Commonwealth Act No. 541, Letter of Instruction No. 630), contracts for the construction and repair of locally funded public works shall be undertaken by Filipino individuals, or corporations, partnerships or associations, the capital of which is 60% owned by citizens of the Philippines, except (a) infrastructure or development projects covered in R.A. No. 7718 (which amended R.A. No. 6957 or the Build-Operate-Transfer (BOT) Law); and (b) projects that are foreign funded or assisted and required to undergo international competitive bidding (Section 2(a) of R.A. No. 7718).

The Implementing Rules and Regulations of the Government Procurement Reform Act also provides that only Philippine corporations, the shareholding interests of which are at least 75% owned by citizens of the Philippines, shall be allowed to bid for infrastructure projects, subject to the relevant exceptions.

Property Registration and Nationality Restrictions

The Philippines has adopted the Torrens System of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land becomes indefeasible after one year from the date of entry of the decree of registration except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication, service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment to the Court of Appeals within 15 days from receiving notice of judgment. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents (i.e. homestead, sales and free patent) must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the buyer upon full payment of the purchase price. Any mortgage existing thereon must be released within six months from the delivery of title. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds.

While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40.0%.

The ownership of private lands in the Philippines is reserved for Philippine citizens and Philippine corporations at least 60% of whose capital stock is owned by Philippine citizens. The prohibition is rooted in Sections 2, 3 and 7 of Article XII of the 1987 Philippine Constitution, which states that, save in cases of hereditary succession, no private lands shall be transferred or conveyed except to individuals, corporations or associations qualified to acquire or hold lands of the public domain. In turn, the nationality restriction on the ownership of private lands is further underscored by Commonwealth Act No. 141 which provides that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens.

While aliens or foreign nationals are prohibited from owning private lands and lands of public domain, they are allowed to lease private lands (but not lands of public domain). A foreigner may acquire private land in the Philippines through hereditary succession if he or she is a legal or natural heir.

Any natural born Filipino citizen who has lost his or her Philippine citizenship and who has the legal capacity to enter into a contract under Philippine Laws may be a transferee of a private land up to a maximum area of 5,000 sq.m. in case of urban land or three hectares in case of rural land to be used by him for business or other purposes. In case the transferee already owns urban or rural land for business or other purposes, he or she is entitled to be a transferee of additional urban or rural land for business or other purposes which when added to those already owned by him or her must not exceed the maximum area fixed by law.

A transferee may acquire not more than two lots which should be situated in different municipalities or cities anywhere in the Philippines, but the total land area thereof must not exceed 5,000 sq.m. in case of urban land or three hectares in case of rural land for use by him or her for business or other purposes. A transferee who has already acquired urban land will be disqualified from acquiring rural land and vice versa.

Any corporation that is owned 100% by a foreign firm may establish a condominium corporation under Republic Act No. 4726, or the Condominium Act, provided that land on which the building is erected is held only under lease arrangement. The Condominium Act defines a condominium as an interest in real property consisting of separate interest in a unit in a residential, industrial or commercial building and an undivided interest in common, directly or indirectly, in the land on which it is located and in other common areas of the building. A condominium may include, in addition, a separate interest in other portions of such real property. Title to the common areas, including the land, or the appurtenant interests in such areas, may be held by a corporation specially formed for the purpose (condominium corporation) in which the holders of separate interest shall automatically be members or shareholders, to the exclusion of others, in proportion to the appurtenant interest of their respective units in the common areas.

Any transfer or conveyance of a unit or an apartment, office or store or other space therein, shall include the transfer or conveyance of the undivided interests in the common areas or, in a proper case, the membership or shareholdings in the condominium corporation. Where the common areas in the condominium project are owned by the owners of separate units as co-owners thereof, no condominium unit may be transferred to foreigners or corporations with foreign ownership of more than 40% of the capital stock. The transfer to aliens of units in a condominium project may be made only up to the point where the concomitant transfer of membership or stockholding in the condominium corporation would not cause the alien interest in such corporation to exceed 40% of its entire capital stock.

A foreign national or corporation may enter into a lease agreement with Filipino landowners for an initial period of up to 50 years, and renewable for another 25 years. Ownership of houses or buildings is allowed, provided that the foreigner does not own the land on which the house is built.

Property Taxation

Real property taxes are payable annually or quarterly based on the property's assessed value. Assessed values are determined by applying the assessment levels (fixed by ordinances of the concerned Sanggunian) against the fair market values of real property. The assessed value of property and improvements vary depending on the location, use and nature of the property. Land is ordinarily assessed at 20.0% to 50.0% of its fair market value; buildings may be assessed at up to 80.0% of their fair market value; and machinery may be assessed at 40.0% to 80.0% of its fair market value. Real property taxes may not exceed 2.0% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1.0% in all other areas. A province or city, or a municipality within Metro Manila may also levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax to accrue exclusively to the Special Education Fund of the LGU where the property is located.

Zoning and Land Use

Land use may be limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the Department of Agrarian Reform ("**DAR**"), land classified for agricultural purposes as of, or after, June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Local Government Code

Republic Act No. 7160, as amended, otherwise known as the Local Government Code ("**LGC**") establishes the system and powers of provincial, city, municipal, and barangay governments in the country. The LGC general welfare clause states that every local government unit ("**LGU**") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, though its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of prosperity, and the promotion of morality, peace, good order, comfort, convenience, and general welfare for the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

An ordinance may be repealed by a subsequent ordinance expressly repealing or declaring it as invalid. An ordinance may also be repealed by implication by a subsequent ordinance that is inconsistent or contrary, in whole or in part, to the previous ordinance. Under the LGC, the *Sangguniang Panlalawigan* (provincial council) has the power to review ordinances passed by a city or municipality council and can declare ordinances invalid, in whole or in part, if it finds that the lower council exceeded its authority in enacting the ordinance.

Fire Code

Republic Act No. 9514, or the Fire Code of the Philippines ("**R.A. 9514**"), aims to ensure public safety and prevent and suppress all kinds of destructive fires. It provides that building owners or administrators must comply with the following:

1. Inspection requirements;
2. Safety measures for hazardous materials;
3. Safety measures for hazardous operation/processes;
4. Provision on fire safety construction, protective and warning system; and
5. Abatement of fire hazards.

In addition, R.A. 9514 provides for penalties for violation of its provisions.

B. HOSPITALITY

Hospitality business in the Philippines is subject to a wide range of Government laws, rules and regulations covering project delivery, construction and operation. Permits and clearances are issued based on local zoning considerations, environmental laws, and construction-related guidelines, varying from one municipality to another. These include Environmental Compliance Certificates ("**ECCs**") issued by DENR, permits issued by various local governments (e.g., locational clearance, barangay clearance, development permit, occupancy permits, and operating permits) and accreditations issued by the Department of Tourism ("**DOT**"). Obtaining regulatory permits, licenses and approvals can take a significant amount of time which could adversely delay or hinder the development and operation of the projects.

Regulation of Tourism in the Philippines

Philippine Tourism Act (Republic Act No. 9593) and Department of Tourism Certificate of Accreditation

Republic Act No. 9593, or the Philippine Tourism Act of 2009, requires primary tourism enterprises, such as accommodation establishments (e.g. hotels and resorts), to secure accreditation from the DOT. A DOT Certificate of Accreditation is a precondition to the issuance by the pertinent LCU of a license or permit to operate a primary tourism enterprise. Moreover, only accredited enterprises are entitled to participate in the DOT's promotional, training and other programs.

Hotel Code of 1987

The Philippine DOT promulgated the Hotel Code of 1987 in order to govern the business and operation of all hotels in the Philippines. Investors who wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification.

C. ENVIRONMENTAL LAWS

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an ECC prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau ("**EMB**"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("**EIS**") to the EMB while a project in an environmentally critical area are generally required to submit an Initial Environmental Examination ("**IEE**") to the proper DENR regional office. In the case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandatory.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("**EGF**") when the ECC is issued for projects determined by the DENR to pose a significant public risk to life, health, property and the environment or where the project requires rehabilitation or restoration. The EGF is intended to meet any damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are required to include a commitment to establish an Environmental Monitoring Fund ("**EMF**") when an ECC is eventually issued. In any case, the establishment of an EMF must not be later than the initial construction phase of the project. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

Legal Framework of Hazardous Waste Management

Presidential Decree No. 1152, also known as "the Philippine Environmental Code," ("**PD 1152**") took effect in 1977, and provides a basis for an integrated waste management regulation starting from waste source to methods of disposal. PD 1152 has further mandated specific guidelines to manage municipal wastes (solid and liquid), sanitary landfill and incineration, and disposal sites in the Philippines.

In 1990, the Philippine Congress enacted the Toxic Substances, Hazardous and Nuclear Wastes Control Act, commonly known as RA 6969, a law designed to respond to increasing problems associated with toxic chemicals and hazardous and nuclear wastes. RA 6969 mandates control and management of import, manufacture, process, distribution, use, transport, treatment, and disposal of toxic substances and hazardous and nuclear wastes in the Philippines. RA 6969 seeks to protect public health and the environment from unreasonable risks posed by these substances in the Philippines.

Apart from the basic policy rules and regulations of RA 6969, hazardous waste management must also comply with the requirements of other specific environmental laws, such as Presidential Decree No. 984 (National Pollution Control Decree of 1976), Presidential Decree No. 1586 (Environmental Impact Statement System Law), RA 8749 (Philippine Clean Air Act of 1999) and RA 9003 (Ecological Solid Waste Management Act of 2000) and their implementing rules and regulations.

Hazardous waste generators are required to register with and pay a registration fee to the EMB Regional Office having jurisdiction over the location of the waste generator.

Waste generators are required to perform the following activities: (1) notify the DENR of the type and quantity of wastes generated in accordance with the form and in a manner approved by the DENR and pay the prescribed fee; (2) provide the DENR, on a quarterly basis, with information to include the type and quantity of the hazardous waste generated, produced or transported outside in a form approved by the DENR; (3) continue to own and be responsible for the hazardous waste generated or produced in the premises until the hazardous waste has been certified by the waste treater as adequately treated, recycled, reprocessed or disposed of; (4) prepare and submit to the DENR comprehensive emergency contingency plans to mitigate spills and accidents involving hazardous wastes. These plans must conform with the guidelines issued by the DENR; (5) train/inform personnel and staff on: (a) the implementation of the plan, and (b) the hazards posed by the improper handling, storage, transport, and use of hazardous wastes and their containers.

Philippine Clean Water Act of 2004

RA 9275 applies to water quality management in all water bodies in the Philippines particularly to the abatement and control of pollution from land based sources. It provides for water quality standards and regulations and civil and criminal penalties for violations thereof. The DENR, in coordination with the National Water Resources Board ("**NWRB**") must designate certain areas as water quality management areas ("**Management Areas**")which have similar hydrological, hydrogeological, meteorological or geographic conditions which affect the physicochemical, biological and bacteriological reactions and diffusions of pollutants in the water bodies, or otherwise share common interest or face similar development programs, prospects, or problems.

The DENR implements a wastewater charge system in all Management Areas through the collection of wastewater charges/fees. The system is established on the basis of payment to the government for discharging wastewater into the water bodies. Wastewater charges is established taking into consideration the following: (a) to provide strong economic inducement for polluters to modify the production or management processes or to invest in pollution control technology in order to reduce the amount of water pollutants generated; (b) to cover the cost of administering water quality management or improvement programs; (c) reflect damages caused by water pollution on the surrounding environment, including the cost of rehabilitation; (d) type of pollutant; (e) classification of the receiving water body, and (f) other special attributes of the water body.

The DENR requires owners or operators of facilities that discharge regulated effluents pursuant to the law to secure a permit to discharge. The discharge permit is the legal authorization granted by the DENR to discharge wastewater, provided, that the discharge permit must specify, among others, the quantity and quality of effluent that said facilities are allowed to discharge into a particular water body, compliance schedule and monitoring requirement.

As part of the permitting procedure, the DENR must encourage the adoption of waste minimization and waste treatment technologies when such technologies are deemed cost effective. The DENR must also develop procedures to relate the current water quality guideline or the projected water quality guideline of the receiving water body with total pollution loadings from various sources, so that effluent quotas can be properly allocated in the discharge permits. Effluent trading may be allowed per management area.

Fiscal and non-fiscal incentives are provided for compliance with RA 9275 such as: (1) inclusion in the Investment Priorities Plan; and (2) tax and duty exemption of donations, legacies and gifts for the support of the waste management program.

Philippine Clean Air Act of 1999

RA 8749 was enacted to provide for a comprehensive management program for air pollution and enforce a system of accountability for short and long-term adverse environmental impact of a project, program or activity. This includes the setting up of a funding or guarantee mechanism for clean-up and environmental rehabilitation and compensation for personal damages. The DENR, in case of industrial dischargers, and the Department of Transportation and Communications, in case of motor vehicle dischargers, designs, imposes and collects, based on environmental techniques, regular emission fees from said dischargers as part of the emission permitting system or vehicle registration renewal system, as the case may be. The system encourages the industries, and motor vehicles to abate, reduce, or prevent pollution. The basis of the fees include, but is not limited to, the volume and toxicity of any emitted pollutant. Industries, which must install pollution control devices or retrofit their existing facilities with mechanisms that reduce pollution are entitled to tax incentives such as but not limited to tax credits and/or accelerated depreciation deductions. The DENR has the authority to issue permits as it may determine necessary for the prevention and abatement of air pollution. Said permits cover emission limitations for the regulated air pollutants to help attain and maintain the ambient air quality standards. These permits serve as management tools for the LGUs in the development of their action plan. The DENR or its duly accredited entity must, after proper consultation and notice, require any person who owns or operates any emission source or who is subject to any requirement of RA 8749 to: (a) establish and maintain relevant records; (b) make relevant reports; (c) install, use and maintain monitoring equipment or methods; (d) sample emission, in accordance with the methods, locations, intervals, and manner prescribed by the DENR; (e) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; and (f) provide such other information as the DENR may reasonably require. The DENR, through its authorized representatives, has the right to (a) enter or access any premises including documents and relevant materials; (b) inspect any pollution or waste source, control device, monitoring equipment or method required; and (c) test any emission. Any record, report or information obtained under RA 8749 must be made available to the public, except upon a satisfactory showing to the DENR by the entity concerned that the record, report, or information, or parts thereof, if made public, would divulge secret methods or processes entitled to protection as intellectual property. Such record, report or information must likewise be incorporated in the DENR's industrial rating system. RA 8749 provides for civil and criminal penalties for violations thereof.

D. DATA PRIVACY LAWS

RA No. 10173, otherwise known as the Data Privacy Act of 2012 ("**Data Privacy Act**"), was signed into law on August 15, 2012, to govern the processing of all types of personal information (i.e., personal, sensitive, and privileged information) in the hands of the government or private natural or juridical person through the use of Information and Communications System ("**ICT**"), which refers to a system for generating, sending, receiving, storing or otherwise processing electronic data messages or electronic documents and includes the computer system or other similar device by or which data is recorded, transmitted or stored and any procedure related to the recording, transmission or storage of electronic data, electronic message, or electronic document. While the law expressly provides that it does not apply to certain types of information, including those necessary for banks and other financial institutions under the jurisdiction of BSP to comply with the AMLA and other applicable laws, the said law applies to all other personal information obtained by banks for other purposes. It mandated the creation of a National Privacy Commission, which shall administer and implement the provisions of the Data Privacy Act and ensure compliance of the Philippines with international standards set for data protection. The Philippines recognizes the need to protect the fundamental human right of privacy and of communication, while ensuring free flow of information to promote innovation and growth. It also identifies the vital role of information and communications technology in nation building and its inherent obligation to ensure that personal information in ICT in the government and in the private sector are secured and protected.

The Data Privacy Act seeks to protect the confidentiality of "personal information", which is defined as "any information, whether recorded in material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual." The law provides for certain rights of a data subject or an individual whose personal information is being processed. The law imposes certain obligations on "personal information controllers" and "personal information processors". It also provides for penal and monetary sanctions for violations of its provisions.

Personal information that is collected must be retained only for a reasonable period of time. Such a reasonable period of time is the reasonable amount of time the collector needs the information for its purposes, and the collector must notify the owner of the personal information of that duration. The data collector must implement appropriate measures for the storage and protection of the collected personal information from accidental alteration, destruction, disclosure and unlawful processing. Furthermore, the data controller must assign compliance officer(s) to ensure compliance with the provisions of the data privacy law and its accompanying implementing rules and regulations.

E. Labor Laws

The Philippine Constitution

The Philippine Constitution provides that the State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns on investments, and to expansion and growth. The seven basic rights that are specifically guaranteed by the Philippine Constitution are as follows:

(a) Right to organize;

(b) Right to conduct collective bargaining or negotiation with management;

(c) Right to engage in peaceful concerted activities, including strikes in accordance with law;

(d) Right to enjoy security of tenure;

(e) Right to work under humane conditions;

(f) Right to receive a living wage; and

(g) Right to participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

Labor Code of the Philippines

Presidential Decree No. 442, as amended, or the Labor Code of the Philippines ("**Labor Code**") seeks to protect labor, promote full employment, ensure equal opportunities regardless of sex, race, or creed and regulate the relations between workers and employers. All doubts in the implementation and interpretation of the provisions of the Labor Code shall be resolved in favor of labor.

The Department of Labor and Employment ("**DOLE**") is the lead agency in the enforcement of labor laws. The Labor Code and other statutory laws specify the minimum statutory benefits that employers are required to grant to their employees.

Retirement Benefits

All employees are entitled to receive retirement benefits that they have earned upon retirement under existing laws or collective bargaining agreements. An employee's retirement benefits under a collective bargaining agreement and other agreements must not be less than those provided under the Labor Code. In the absence of a retirement plan or agreement providing for retirement benefits of employees, an employee, upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five years in the establishment, may retire and shall be entitled to retirement pay equivalent to at least ½ month salary for every year of service.

Social Security System or the Social Security Law

Republic Act No. 8282 created the Social Security System (the "**SSS**"), a security program that provides financial benefits to qualified members in cases of contingencies such as retirement, disability, death, sickness, maternity and other employment-related injury. All employees not over 60 years of age are automatically covered by the SSS. Under this law, an employer must deduct from its employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. Every employer required to deduct and to remit the contributions shall be liable for the payment of a penalty in addition to the contributions, if any of the contributions are not remitted to the SSS, and shall also be held criminally liable.

National Health Insurance Act

This act provides for the National Health Insurance Program of the Philippines, administered by the Philippine Health Insurance Corporation ("**PhilHealth**"), a government corporation under the Department of Health ("**DOH**"). It provides for universal and compulsory health insurance coverage and it ensures affordable, acceptable, available and accessible health care services for all Filipino citizens. The law provides that a member should have paid his contributions for at least three months within the six months prior to the first day of enjoyment, including those of his dependents, to be entitled to the benefits of the program.

Home Development Mutual Fund

The Home Development Mutual Fund, otherwise known as Pag-IBIG Fund and currently governed by Republic Act No. 9679, is a savings system for employees and other earning groups, supported by matching mandatory contributions from the employer with housing as the primary investment. All employees covered by the SSS and the Government Service Insurance System are mandatorily covered by this law. The basis of the corresponding contributions of both the employer and the employee is the employee's monthly compensation.

Workers' Health and Safety

The Rules for Occupational Safety and Health Standards ("**OSHS**") issued by the Bureau of Working Conditions of the DOLE establishes the threshold limit values ("**TLV**") for toxic and carcinogenic substances which may be present in the atmosphere of the work environment. The TLV refer to airborne concentration of substances and represent the conditions under which it is believed that nearly all workers may be repeatedly exposed daily without adverse effect. The TLV also pertains to the time weighted concentrations for an eight-hour workday and a total of 48 work hours per week.

The employees' exposure to the substances identified in the OSHS must be limited to the ceiling value given for the relevant substance in the OSHS, or must not exceed the eight-hour time weighted average limit given for that substance in the OSHS, as the case may be.

To protect the employees, an employer is required to furnish its workers with protective equipment for the eyes, face, hands, and feet as well as protective shields and barriers, whenever necessary, by reason of the hazardous nature of the process or environment, chemical or radiological or other mechanical irritants or hazards capable of causing injury or impairment in the function of any part of the body through absorption, inhalation, or physical contact. The employer is responsible for ensuring the adequacy and proper maintenance of personal protective equipment used in its workplace.

To ensure compliance with the OSHS, every establishment or place of employment will be inspected at least once a year. Special inspection visits may be authorized by the Regional Labor Office to investigate accidents, occupational illnesses or dangerous occurrences, especially those resulting in permanent total disability or death, to conduct surveys of working conditions for the purpose of evaluating and assessing environmental contaminants and physical conditions, or to conduct investigations, inspections or follow-up inspections upon request of an employer, worker or a labor union of the establishment.

Any violation of the provisions of the OSHS will be subject to the applicable penalties provided in the Labor Code. The Labor Code imposes a fine of not less than ₱1,000 and not more than ₱10,000, or imprisonment of not less than three months and not more than three years, or both such fine and imprisonment, at the discretion of the court. If the offense is committed by a corporation, the penalty will be imposed upon the guilty officers of such corporation.

Depending on the size of the workforce and the nature of the work place as either hazardous or non-hazardous, an employer is obliged to provide certain free medical and dental attendance and facilities. For large-scale industries with workers of 200 to 600, the employer is required to provide the services of a part-time occupational health physician and a part-time dentist, each of whom is required to stay on the premises of the workplace at least four hours a day, six times a week, and each working in alternate periods. It is also required to provide the services of a full-time occupational health nurse and a full-time first aider. The employer must further maintain an emergency clinic, unless there is a hospital or dental clinic within 25 minutes of travel, and ensure that it has facilities readily available for transporting its workers to the hospital or clinic in case of an emergency.

Under the OSHS, every place of employment is required to have a health and safety committee. Further, the employer has the duty to write administrative policies on safety in conformity with OSHS. It must provide to DOLE copies of the policies adopted and the health and safety organization established to carry out the program on safety and health within one month after the organization or reorganization of the health and safety committee.

Moreover, Republic Act No. 7877 makes it the duty of every employer to create a committee on decorum and investigation of sexual harassment cases. Such committee must be composed of at least one representative each from management, the union, the employees from the supervisory rank, and the rank-and-file employees. In addition, it is likewise the duty of the employer to promulgate rules and regulations prescribing the procedure for the investigation of sexual harassment cases and the administrative sanctions therefor, which rules must be formulated in consultation with, and approved by, the employees.

Other Labor-Related Laws and Regulations

Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work, or service within a definite or predetermined period, regardless of whether such job, work, or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a "trilateral relationship" among: (i) the principal who decides to farm out a job, work, or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

On March 16, 2017, the DOLE issued DOLE Department Order No. 174-17 or Rules Implementing Articles 106 to 109 of the Labor Code, as Amended ("**D.O. No 174-17**"), under the principle that non-permissible forms of contracting and subcontracting arrangements undermine the constitutional and statutory right to security of tenure of workers. D.O. No 174-17 empowered the Secretary of Labor and Employment to regulate contracting and subcontracting arrangements by absolutely prohibiting labor-only contracting, and restricting job contracting allowed under the provisions of the Labor Code. Labor-only contracting refers to an arrangement where the contractor or subcontractor merely recruits, supplies, or places workers to perform a job or work for a principal, and the contractor or subcontractor does not have substantial capital, or the contractor or subcontractor does not exercise the right to control over the performance of the work of the employee. D.O. No. 174-17 expressly requires the registration of contractors with the Regional Office of the DOLE where it principally operates, without which, a presumption that the contractor is engaged in labor-only contracting arises.

D.O. No. 174-17 provides that in the event that there is a finding that the contractor or subcontractor is engaged in labor-only contracting and other illicit forms of employment arrangements, the principal shall be deemed the direct employer of the contractor's or subcontractor's employees. Further, in the event of violation of any provision of the Labor Code, including the failure to pay wages, there exists a liability on the part of the principal and the contractor for purposes of enforcing the provisions of the Labor Code and other social legislation, to the extent of the work performed under the employment contract.

On May 2, 2018, President Rodrigo Duterte signed Executive Order No. 51, reiterating the prohibition of the practice of illegal contracting or subcontracting in the country. The executive order aims to protect the worker's right to security of tenure, self-organization, and collective bargaining and peaceful concerted activities.

Employment of Foreign Nationals

Under Department Order No. 186, Series of 2017 ("**D.O. No. 186-17**"), issued by the DOLE, all foreign nationals who intend to engage in gainful employment in the Philippines shall apply for an Alien Employment Permit ("**AEP**"). However, D.O. No. 186-17 clarifies that an AEP is not an exclusive authority for a foreign national to work in the Philippines. It is just one of the requirements in the issuance of a work visa (9g) to legally engage in gainful employment in the country. The foreign national must obtain the required special temporary permit from the Professional Regulation Commission in case the employment involves practice of profession and Authority to Employ Alien from the Department of Justice where the employment is in a nationalized or partially nationalized industry, as well as from the Department of Environment and Natural Resources in case of employment in a mining company. D.O. No. 186-17 also provides for the list of foreign nationals who are exempt and excluded from securing an AEP.
Under D.O. No. 186-17, the Regional Director shall impose a fine of ₱10,000 for every year or a fraction thereof to foreign nationals found working without a valid AEP. Employers found employing foreign nationals without a valid AEP shall also pay a fine of ₱10,000 for every year or a fraction thereof. Further,

an employer who is found to have failed to pay the penalty provided under D.O. No. 186-2017 shall not be allowed to employ any foreign national for any position in the employer's company.

DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act, a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with 10 or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 053-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases. Under the Anti-Sexual Harassment Act, the employer will be solidarity liable for damages arising from the acts of sexual harassment committed in the workplace if the employer is informed of such acts by the offended party and no immediate action is taken. Notwithstanding, the victim of sexual harassment is not precluded from instituting a separate and independent action for damages and other affirmative relief. Any person who violates the provisions of this law shall, upon conviction, be penalized by imprisonment of not less than one month nor more than six months, or a fine of not less than ₱10,000 nor more than ₱20,000, or both such fine and imprisonment, at the discretion of the court. Any action arising from the violation of the provisions of this law shall prescribe in three years.

Moreover, Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it are strictly limited to medical personnel. All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control.

TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Certificates. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Certificates and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Certificates under applicable tax laws of other applicable jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Prospective buyers of the Certificates are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Certificates.

Philippine Taxation

On January 1, 2018, Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion ("**TRAIN**") took into effect. The TRAIN amended provisions of the Philippine Tax Code including provisions on Documentary Stamp Tax, tax on interest income and other distributions, Capital Gains Tax on the sale and disposition of securities, Estate Tax, and Donor's Tax.

As used in this section, the term "non-resident alien" means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines"; however, a non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year may be considered a "non-resident alien not engaged in trade or business within the Philippines". A "resident foreign corporation" is a foreign corporation engaged in trade or business within the Philippines, while a "non-resident foreign corporation" is a foreign corporation not engaged in trade or business within the Philippines.

TAXATION OF FINAL SHARE IN PARTICIPATION INTEREST

The Certificate Holders shall be entitled to receive an interest on the Joining Fee (the "**Final Share in Participation Interest**") for each Payment Cycle. The Final Share in Participation Interest shall be treated as interest income of the Certificate Holders and the payment thereof will be recorded by the Issuer as an interest expense.

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine sourced income subject to Philippine income tax. Participation Interest derived by Philippine citizens and alien resident individuals from the Certificates is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, Participation Interest received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a 25% final withholding tax. Participation Interest received by domestic corporations and resident foreign corporations from the Certificates is subject to a 20% final withholding tax. Participation Interest received by non-resident foreign corporations from the Certificates of Participation is subject to a 25% final withholding tax. The tax imposed on the interest is a final withholding tax which constitutes a final settlement of Philippine income tax liability with respect to such interest.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 10% to 15% in cases where the interest which arises in the Philippines is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

TAX-EXEMPT STATUS OR ENTITLEMENT TO PREFERENTIAL TAX RATE

Certificate Holders who are exempt from or are not subject to final withholding tax on interest income may avail of such exemption by submitting the necessary documents. Said Certificate Holder shall submit the following requirements to the Issuer: (i) a current and valid BIR certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the Certificate Holder confirming the exemption in accordance with BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto; (ii) with respect to tax treaty relief, , a copy of the duly filed request for confirmation or tax treaty relief application, as may be applicable, with the International Tax Affairs Division as required under Revenue Memorandum Order No. 14-2021, including any clarification, supplement or amendment thereto and, once available, a BIR-certified certification, ruling or opinion addressed to the relevant Certificate Holder confirming the entitlement to the preferential tax rate under the applicable treaty; (iii) a duly notarized undertaking, in the prescribed form, executed by the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption or entitlement to preferential tax treaty rates based on his official functions, if the Certificate Holder purchases the Certificate for its account, declaring and warranting such entity' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iv) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Certificate Holder on the interest payments to such Certificate Holder; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges (or with reduced rates, as the case may be), subject to the submission by the Certificate Holder claiming the benefit of any exemption or preferential rate of reasonable evidence of such exemption or preferential rate treatment to the Issuer.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Certificates at the rate of ₱1.50 for each ₱200, or fractional part thereof, of the offer price of such debt instruments.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for the account of the Certificate Holders.

TAXATION ON SALE OR OTHER DISPOSITION OF THE CERTIFICATES

Income Tax

Any gain realized from the sale, exchange or retirement of Certificate of Participation will, as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income subject to the regular rates of 20% to 35%, or 30%, as the case may be. If the Certificate of Participation is sold by a seller, who is an individual and who is not a dealer in securities, who has held such Certificate of Participation for a period of more than 12 months prior to the sale, only 50% of any capital gain will be recognized and included in the sellers' gross taxable income.

However, under the Tax Code, any gain realized from the sale, exchange or retirement of bonds, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such bonds, debentures or other certificates of indebtedness) shall not be subject to income tax.

Moreover, any gain arising from such sale, regardless of the original maturity date of the securities, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the BIR for the enjoyment of tax treaty benefits.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Certificate of Participation shall be subject to an estate tax which is levied on the net estate of the deceased at the rate of 6%. A holder of the Certificate of Participation shall be subject to donor's tax based on the net gift on the transfer of the Certificate of Participation by gift at rate of 6%, if the net gifts made during the calendar year exceed Php250,000.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor's tax, in respect of the Certificate of Participation, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

Documentary Stamp Tax

No documentary stamp tax is imposed on the subsequent sale or disposition of the Certificates, provided that such sale or disposition does not constitute a renewal or extension of maturity of the Certificates. If the transfer constitutes a renewal or extension of the maturity of the Certificates, documentary stamp tax is payable anew.

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INTEREST OF NAMED EXPERTS AND COUNSEL

LEGAL MATTERS

Certain legal matters as to Philippine law in connection with the Offer will be passed upon by Picazo Buyco Tan Fider & Santos Law Offices, legal counsel to the Issuer. Picazo Law has no direct or indirect interest in the Issuer arising from the Offer.

INDEPENDENT AUDITORS

SyCip Gorres Velayo & Co., independent auditors, has audited the Issuer's financial statements as of and for the years ended 31 December 2019, 31 December 2020, and 31 December 2021, in accordance with Philippine Financial Reporting Standards (PFRSs).

The Issuer has not had any material disagreements on accounting and financial disclosures with its current external auditors for the same period or any subsequent interim period. SyCip Gorres Velayo & Co. has neither shareholdings in the Issuer nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SyCip Gorres Velayo & Co. will not receive any direct or indirect interest in the Issuer or in any securities thereof (including options, warrants, or rights thereto) pursuant to or in connection with the Offer. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed for the last fiscal year for professional services rendered by SyCip Gorres Velayo & Co., excluding fees directly related to the Offer.

	2022	**2021**	**2020**
Audit and audit-related fees			
Audit Services	200,000	70,000	50,000
Out-of-pocket	20,000	7000	5000
SUBTOTAL	**220,000**	**77,000**	**55,000**
VAT	26,400	9,240	6,600
TOTAL	246,400	86,240	61,600

The Company did not engage professional services for tax accounting, compliance, advice, planning, and any other form of tax services.

FINANCIAL POSITION

The following pages set forth Issuer's Audited Financial Statements as of December 31, 2022.

Quest Hotel
TAGAYTAY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

FOR FINANCIAL STATEMENTS

The management of **FORA SERVICES, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2022 and 2021 and for each of the three years, in the period ended December 31, 2022, 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.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

FRANCIS NATHANIEL C. GOTIANUN

Chairman

FRANCIS V. CEBALLOS

President/ CEO

NANCY R. RIVERA

Treasurer and CFO

Signed this 3rd day of March 2023

SUBSCRIBED AND SWORN TO BEFORE ME in the City of Mandaluyong this ___ day of MAR 31 2023, affiant exhibiting to me ____________ as his/her competent evidence of identity.

Doc. No. 270;
Page No. 55;
Book No. 19;
Series of 20 23.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 5110440; 1-3-23; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	1	8	1	8	3	3	9

C O M P A N Y   N A M E

FORA SERVICES, INC. DOING BUSINESS AS QUEST HOTEL TAGAYTAY

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

Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway, Silang Junction, Barangay Silang Crossing East, Tagaytay, 4120 Cavite

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
tagaytayhm@questhotelsandresorts.com	+6346-4198799	0998-5849951

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	Last Friday of October	12/31

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
Nancy R. Rivera	nancy.rivera@filinvesthospitality.com	+6346-8460278	09989615762

CONTACT PERSON's ADDRESS

Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway Silang Junction, Barangay Silang Crossing East Tagaytay, 4120 Cavite

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.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Fora Services, Inc. doing business as Quest Hotel Tagaytay
Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway
Silang Junction, Barangay Silang Crossing East
Tagaytay, 4120 Cavite

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay (the Company), which comprise the statements of financial position as at December 31, 2022 and 2021, and statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

The supplementary information required under Revenue Regulations 15-2010 for purposes of filing with the Bureau of Internal Revenue is presented by the management of Fora Services, Inc. doing business as Quest Hotel Tagaytay in a separate schedule. Revenue Regulations 15-2010 requires the information to be presented in the notes to financial statements. Such information is not a required part of the basic financial statements. The information is also not required by the Revised Securities Regulation Code Rule 68. Our opinion on the basic financial statements is not affected by the presentation of the information in a separate schedule.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 118546-SEC (Group A)
Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026
PTR No. 9564692, January 3, 2023, Makati City

March 3, 2023

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 11)	**₱93,150,373**	₱60,507,260
Receivables (Note 5)	**11,536,941**	12,817,984
Due from related parties (Note 11)	**4,083,206**	–
Inventories (Note 6)	**1,673,358**	1,164,062
Other currents assets (Note 7)	**1,524,101**	5,198,175
Total Current Assets	**111,967,979**	79,687,481
Noncurrent Assets		
Property and equipment (Note 8)	**577,306**	–
Software cost (Note 8)	**383,529**	478,161
Total Noncurrent Assets	**960,835**	478,161
	₱112,928,814	₱80,165,642
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 9 and 11)	**₱68,078,227**	₱41,330,154
Contract liabilities (Note 10)	**3,200,181**	726,507
Due to related parties (Note 11)	**27,410,861**	35,251,272
Total Liabilities	**98,689,269**	77,307,933
Equity		
Capital stock (Note 14)	**400,000**	400,000
Retained earnings	**13,839,545**	2,457,709
Total Equity	**14,239,545**	2,857,709
	₱112,928,814	₱80,165,642

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2022	2021	2020
REVENUE			
Revenue from services			
Rooms	**₱80,368,185**	₱34,558,988	₱39,046,904
Other operating departments	**767,124**	34,052	23,634
Miscellaneous	**737,716**	125,802	40,019
	81,873,025	34,718,842	39,110,557
COST OF SERVICES (Note 12)	**44,026,324**	12,612,415	13,720,374
GENERAL AND ADMINISTRATIVE EXPENSES (Note 13)	**33,015,365**	19,949,628	21,732,724
OTHER INCOME (EXPENSE)			
Income from insurance claims (Note 18)	**9,467,928**	–	–
Interest income (Note 4)	**823,206**	35,191	30,389
Interest expense (Note 11)	–	(43,449)	(472,985)
Other income (Note 9)	–	1,197,514	–
	10,291,134	1,189,256	(442,596)
INCOME BEFORE INCOME TAX	**15,122,470**	3,346,055	3,214,863
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 15)	**3,740,634**	834,806	(23,141)
NET INCOME / TOTAL COMPREHENSIVE INCOME (Note 2)	**₱11,381,836**	₱2,511,249	₱3,238,004

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31		
	2022	2021	2020
CAPITAL STOCK (Note 14)			
Balances at beginning and end of year	**₱400,000**	₱400,000	₱400,000
RETAINED EARNINGS (DEFICIT)			
Balances at beginning of year	**2,457,709**	(53,540)	(3,291,544)
Net income	**11,381,836**	2,511,249	3,238,004
Balances at end of year	**13,839,545**	2,457,709	(53,540)
	₱14,239,545	₱2,857,709	₱346,460

See accompanying Notes to Financial Statements.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱15,122,470**	₱3,346,055	₱3,214,863
Adjustments for:			
Income from insurance claims (Note 18)	**(9,467,928)**	–	–
Depreciation and amortization (Notes 8, 11 and 13)	**360,563**	1,406,492	3,224,412
Interest expense (Note 11)	**–**	43,449	472,985
Interest income (Note 4)	**(823,206)**	(35,191)	(30,389)
Operating income before working capital changes	**5,191,899**	4,760,805	6,881,871
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	**1,281,043**	37,170,954	(45,194,290)
Due from related parties	**(4,083,206)**	342,737	204,659
Inventories	**(509,296)**	140,387	(271,073)
Other current assets	**3,674,074**	(1,545,644)	(2,465,719)
Increase (decrease) in:			
Account and other payables	**26,748,073**	7,131,651	28,816,283
Contract liabilities	**2,473,674**	13,849	(171,364)
Due to related parties	**(7,840,411)**	6,315,930	(4,950,340)
Net cash generated from (used in) operations	**26,935,850**	54,330,669	(17,149,973)
Insurance claims received	**9,467,928**	–	–
Interest received	**823,206**	35,191	30,389
Income taxes paid	**(3,740,634)**	(805,587)	(6,078)
Net cash provided by (used in) operating activities	**33,486,350**	53,560,273	(17,125,662)
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Note 8)	**(712,703)**	–	–
Software cost (Note 8)	**(130,534)**	(81,583)	(593,916)
Cash used in investing activities	**(843,237)**	(81,583)	(593,916)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**32,643,113**	53,478,690	(17,719,578)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**60,507,260**	7,028,570	24,748,148
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱93,150,373**	₱60,507,260	₱7,028,570

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Fora Services, Inc. doing business as Quest Hotel Tagaytay (the Company), a wholly owned subsidiary of Filinvest Hospitality Corporation, (FHC or Parent Company), was incorporated in the Philippines and was registered with Philippine Securities and Exchange Commissions (SEC) on August 24, 2018. Its primary purpose is to purchase and own real properties and personal property of all kinds to sell, lease, maintain and manage.

On March 1, 2019, the Board of Directors (BOD) and stockholders approved the amendment of the Company's Articles of Incorporation (AOI) to change its corporate name from Fora Services, Inc. to Fora Services, Inc. doing business as Quest Hotel Tagaytay. On September 13, 2019, the amendment has been approved by the SEC.

The Company's registered address is Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway, Silang Junction, Barangay Silang Crossing East, Tagaytay, 4120 Cavite.

The Parent Company is a subsidiary of Filinvest Development Corporation (FDC), a publicly listed corporation. FDC is a subsidiary of A.L. Gotianun, Inc. (ALGI). FHC, FDC and ALGI are incorporated and domiciled in the Philippines.

Approval of the Financial Statements
The financial statements of the Company as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 were approved and authorized for issue by the BOD on March 3, 2023.

2. Summary of Significant Accounting Policies

Basis of Preparation
The financial statements of the Company have been prepared on a historical cost basis and are presented in Philippine Peso (₱), which is also the Company's functional currency. All amounts are rounded off to the nearest Peso, except when otherwise indicated.

The Company's financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 have been prepared as an attachment to the amended registration statement in relation to the Company's issuance of debt securities.

Statement of Compliance
The financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Adoption of New and Amended Accounting Standards and Interpretations
The accounting policies adopted in the preparation of the Company's financial statements are consistent with those of the previous financial years, except for the adoption of the following which became effective beginning January 1, 2022.

The adoption of the following pronouncements does not have significant impact to the Company's financial statements.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs* 2018-2020 Cycle
    - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
    - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*
    - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

Future Changes in Accounting Policies
Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2023
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Significant Accounting Policies
The following accounting policies were applied in preparation of the Company's financial statements:

Current versus Noncurrent Classification
The Company presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Fair Value Measurement
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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

'Day 1' difference
Where the transaction price in a non-active market is different from the fair value based on other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss, unless it qualifies for recognition as some other type of asset or liability. In cases where an unobservable data is used, the difference between the transaction price and model value is only recognized in profit and loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial Instruments
Financial assets and liabilities are recognized in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery or assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Recognition and Measurement of Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as either subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Receivables are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets comprise financial assets at amortized cost.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost
Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive income when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include cash and cash equivalents, receivables and due from related parties and security deposits (presented under other current assets).

Reclassification of financial assets
The Company can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Company is required to reclassify the following financial assets:

- from amortized cost to FVPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- from FVPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVPL at initial recognition is not permitted.

A change in the objective of the Company's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprise financial liabilities at amortized cost (loans and borrowings).

Subsequent measurement
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.

This accounting policy applies to accounts and other payables (excluding statutory payables) and due to related parties.

Impairment of Financial Assets
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company applies a simplified approach in calculating ECLs for financial assets at amortized costs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix for accounts and other receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company 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.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company's uses the ratings from reputable rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Derecognition of Financial Assets and Financial Liabilities
Financial assets
A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of an asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments
Financial assets and financial liabilities are only 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 the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the statement of financial position.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using the moving average method. NRV is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. NRV of supplies is the estimated current replacement cost.

Other Current Assets
Other assets are carried at costs and pertain to resources controlled by the Company as a result of past events and from which future economic benefits are expected to flow to the Company. These assets are regularly evaluated for any impairment in value. These comprise of input value-added tax (VAT), creditable withholding taxes, prepaid expenses and advances to employees.

Prepaid expenses
Prepaid expenses are amounts paid in advance for goods and services that are yet to be delivered and from which future economic benefits are expected to flow to the Company within its normal operating cycle or within 12 months from the balance sheet date. These are measured at amortized cost less any impairment loss.

VAT
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Creditable VAT
Creditable VAT pertains to the VAT withheld on government sales which are creditable against output VAT.

Advances to suppliers
Advances to suppliers are down payments made to the suppliers for acquisitions of guest supplies and software costs. These are applied against billings which are received after the delivery of items and completion of services. Classification of advances to suppliers is based on the actual realization of such advances based on the determined usage/realization of the asset to which it is intended for.

Property and Equipment
Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are capitalized as part of property and equipment 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 reasonably measured. All other repairs and maintenance are charged against current operations as incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is calculated on a straight-line method over the estimated useful lives (EUL) of the assets. The Company assessed that the useful life of property and equipment is three (3) years.

The useful lives and depreciation methods are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

The separate recognition of significant components of property and equipment depends on whether these components serve the same purpose as the related items of property and equipment. If the corresponding components do not serve the same purpose, they must be recognized separately. If the component parts serve the same purpose, the need to recognize them separately depends on whether they have the same structure and the same normal useful life as the other component parts of the asset. If the structure and normal useful life are different, the component parts must be recognized separately insofar as they comply with the definition of the assets. Accordingly, the cost of acquisition must be allocated to the individual components over their respective useful lives.

The depreciation of the component parts must be recognized for each component part separately. The subsequent expenses for the exchange or replacement of such assets must be recognized as acquisition costs for a separate asset and depreciated over their useful life.

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as difference between the net disposal proceeds and the carrying amount of the assets) is included in the statement of comprehensive income when the asset is derecognized.

Software Costs
Software acquired separately is measured on initial recognition at cost. Following initial recognition, capitalized software is carried at cost less accumulated amortization and any accumulated impairment losses. The capitalized software is amortized on a straight-line basis over its estimated useful life of five years.

Impairment of Nonfinancial Assets
The Company assesses at each financial reporting date whether there is an indication that its nonfinancial (e.g., property and equipment and software costs) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGUs) fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is charged to operations in the year in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

Equity
Capital stock
Capital stock is measured at par value for all shares issued.

Retained earnings (Deficit)
Retained earnings (deficit) represents the accumulated net income (losses) of the Company and stock issuance costs.

Revenue Recognition
The Company primarily derives its revenue from room related services and other operating departments. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has generally concluded that it is acting as principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Rooms
Revenue from rooms is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Other operating departments
Revenue from other operating departments is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Income from insurance claim
Income from insurance claim is recognized when receipt is virtually certain or upon acceptance of the settlement offer from insurance company.

Interest income
Interest income is recognized as it accrues taking into account the effective yield on the asset.

Other income
Other income consists of smoking fees, forfeiture of unclaimed deposits and others. This is recognized over the time the related services are rendered and/or facilities and amenities are used.

Contract Balances
Contract receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

The contract liabilities also include payments received by the Company from the customers for which revenue recognition has not yet commenced. Accordingly, funds deposited by customers before event/service occurs (guest deposits) are recorded as contract liabilities until services are provided or goods are delivered.

Costs and Expenses Recognition
Direct costs and operating expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or decrease of liabilities. Direct costs and operating expenses encompass losses as well as those expenses that arise in the course of ordinary activities of the Company. Direct costs are charged to statement of comprehensive income when related revenue is recognized, while operating expenses are recognized when incurred. These are measured at the amount paid or payable.

Cost of sales and services
Cost of sales and services pertain to expenses incurred in relation to sale of goods and rendering of services. These are recognized when incurred and measured at the amount paid or payable.

Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease payments on leases of low-value assets are recognized as expense in the statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease expense. Contingent rents are recognized as expense in the period in which they are incurred.

Other Comprehensive Income (OCI)
OCI are items of income and expense that are not recognized in the profit or loss for the year in accordance with PFRS. The Company has no OCI item in 2022 and 2021.

Income Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with some exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognized in other comprehensive income or directly in equity is also recognized in other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment Reporting
The Company's operating businesses are organized and managed according to the nature of the products and services provided. The Company has determined that it is operating as one operating segment as of and for the years ended December 31, 2022 and 2021 (see Note 16).

Provisions
A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Company expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period
Post year-end events that provides additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant Accounting Estimates and Assumption

The preparation of the Company's financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Judgments and estimates 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.

Management's Use of Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and within the next financial year are discussed below:

Evaluation of impairment of receivables
The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., inflation and lending rate) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future.

As of December 31, 2022 and 2021, the carrying value of receivables amounted to ₱11.54 million and ₱12.82 million, respectively. There is no provision for ECL recognized in 2022, 2021 and 2020 (see Note 5).

Estimation of NRV of inventories
Inventories are valued at the lower of cost or NRV. To determine the NRV, the Company is required to make estimate of the inventories' estimated selling price in the ordinary course of business and costs necessary to make a sale. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. The amount and timing of recorded expenses for any period would differ if different judgment were made or different estimates were utilized.

In 2022, 2021 and 2020, there is no allowance for inventory write-down recognized since the Company has determined that the NRV of inventories is higher than its cost. As of December 31, 2022 and 2021, total inventories carried at cost amounted to ₱1.67 million and ₱1.16 million, respectively (see Note 6).

4. Cash and Cash Equivalents

This account consists of

	2022	2021
Cash on hand	**₱1,416,388**	₱1,428,526
Cash in banks (Note 11)	**26,204,446**	29,078,734
Cash equivalents (Note 11)	**65,529,539**	30,000,000
	₱93,150,373	₱60,507,260

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods up to 3 months and earns interest at the prevailing short-term investment rate of 3.75% to 4.00% and 0.25% in 2022 and 2021, respectively.

Interest income earned from cash and cash equivalents amounted to ₱0.82 million, ₱0.04 million and ₱0.03 million in 2022, 2021 and 2020, respectively (see Note 11).

There are no restrictions on the Company's cash and cash equivalents as of December 31, 2022 and 2021.

5. **Receivables**

This account consists of:

	2022	2021
Contract receivables:		
Corporate, travel agency and individuals	**₱7,989,741**	₱9,089,518
Guest ledger	**1,121,267**	2,501,949
Credit cards	**1,773,214**	953,240
Others	**652,719**	273,277
	₱11,536,941	₱12,817,984

Corporate, travel agency and individuals pertain to receivables classified by market segments and are due within 30 to 90 days from billing.

In 2022 and 2021, the Company entered into agreements with government agencies as a multiple use facility and as a COVID-19 quarantine facility, respectively. Receivables from these agreements amounted to ₱9.37 million as of December 31, 2021 (nil as of December 31, 2022).

Guest ledger pertains to receivables from in-house guests and are collectible once the guest checks out from the hotel.

Credit cards pertain to receivables from banks for sales settled through credit cards and are usually collectible within three (3) to five (5) days from transaction date.

Others pertain to advances to employees and other reimbursables subject to liquidation.

6. **Inventories**

This account consists of:

	2022	2021
Supplies	**₱1,429,592**	₱967,414
Fuel	**243,766**	196,648
	₱1,673,358	₱1,164,062

Supplies include guest, engineering, cleaning and other operating supplies used to assist in day-to-day operations of the Company.

Fuel pertains to fuel and oils used in the day-to-day operations.

The cost of inventories recognized as part of “Cost of services” in the statement of comprehensive income amounted to ₱2.66 million, ₱0.81 million and ₱0.84 million in 2022, 2021 and 2020, respectively (see Note 12).

7. Other Current Assets

This account consists of:

	2022	2021
Advances to suppliers and employees	**₱819,763**	₱750,057
Prepaid expenses	**245,618**	735,148
Creditable withholding taxes	**449,520**	3,128,024
Prepaid tax	**–**	584,946
Security deposits	**9,200**	–
	₱1,524,101	₱5,198,175

Advances to employees refer to advances for travel, mailing expenses and other expenses arising from ordinary course of business. These are liquidated within seven days after actual use of the advances.

Prepaid expenses pertain to the Company's prepayments on insurance and subscriptions. These are recognized as expense over a period not exceeding 12 months.

Creditable withholding taxes are the taxes withheld by the withholding agents from payments to the sellers which are creditable against the future income tax payable.

Prepaid tax pertains to overpayment of current income tax.

8. Property and Equipment and Software Costs

Property and equipment
The rollforward analysis of this account follows (nil as of December 31, 2021):

	December 31, 2022		
	Machineries, Tools and Equipment	Computer Equipment	Total
Cost			
At beginning of period	₱–	₱–	₱–
Additions	456,007	256,696	712,703
At end of period	456,007	256,696	712,703
Accumulated Depreciation			
At beginning of period	–	–	–
Depreciation (Note 13)	102,101	33,296	135,397
At end of period	102,101	33,296	135,397
Net Book Values	₱353,906	₱223,400	₱577,306

The Company's property and equipment are not pledged or used as collateral to secure any obligation as of December 31, 2022 and 2021.

Software cost
This account pertains to the software cost for timekeeping system and front office management system purchased by the Company.

The rollforward analysis of this account follows:

	2022	2021
Cost		
Balances at beginning of year	**₱675,499**	₱593,916
Additions	**130,534**	81,583
Balances at end of year	**806,033**	675,499
Accumulated Amortization		
Balances at beginning of year	**197,338**	–
Amortization	**225,166**	197,338
Balances at end of year	**422,504**	197,338
Net Book Value	**₱383,529**	₱478,161

9. Accounts and Other Payables

This account consists of:

	2022	2021
Trade payables	**₱18,031,830**	₱9,346,018
Accrued expenses (Note 11)	**44,391,933**	23,156,863
Taxes payable	**4,105,075**	7,327,732
Wages and employee related payables	**1,549,389**	1,499,541
	₱68,078,227	₱41,330,154

Trade payable consists of payables to suppliers and service providers for various acquisitions of goods and services used in the operations of the Company. These are normally settled on a 30-day term. In 2021, the Company written-off payables amounting to ₱1.20 million. This was presented as part of Other income in the statement of comprehensive income (nil in 2022 and 2020).

Accrued expenses represent accruals on rent, telephone, light and water, security services and other expenses that are normally settled on a 30-day term upon receipt of billing.

Taxes payable includes local taxes, deferred output VAT, expanded withholding taxes and taxes withheld on employee compensation and benefits.

Wages and employee-related payables include employees' share on the additional service fees charged to customers. These are normally settled within one month.

10. Contract Liabilities

Contract liabilities pertain to advance or partial payments received from guests to guarantee reservations. This represents the obligation to provide services to the customer for which the Company has received consideration. These are guest deposits which are expected to be recognized as revenue when the event has taken place or refunded to the customers upon cancellation.

The following summarizes the activities related to contract liabilities with customers as of December 31:

	2022	2021
Balances at beginning of year	**₱726,507**	₱712,658
Additions	**5,750,282**	568,560
Recognized as revenue	**(3,276,608)**	(554,711)
Balances at end of year	**₱3,200,181**	₱726,507

11. **Related Party Transactions**

The Company has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decision or the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Affiliates are entities under common control of the Parent Company, FDC and ALGI.

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured, interest-free and require settlement in cash, unless otherwise stated. There have been no guarantees provided or received for any related party receivables or payables. As of December 31, 2022, 2021 and 2020, the Company has not made any provision for ECL relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The amounts and balances from the significant related party transaction follows:

		2022			
		Amount/ Volume	Outstanding balance	Terms	Conditions
Cash and cash equivalents					
Affiliate					
a.	Cash and cash equivalents (Note 4)	**₱31,949,406**	**₱85,306,903**	Interest-bearing at prevailing market rate	Unrestricted
	Interest income	**799,652**	–	–	–
Due to related parties					
b.	Parent Company	**(₱176,017)**	**(₱228,938)**	Noninterest-bearing; due and demandable	Unsecured
c.	Filinvest Land, Inc. (FLI)	**1,672,707**	**(17,445,410)**	Noninterest-bearing; due and demandable	Unsecured
d.	Fora Restaurants, Inc. (FRI)	**1,552,452**	**(5,065,588)**	Noninterest-bearing; due and demandable	Unsecured
e.	Chroma Hospitality, Inc. (CHI)	**(689,524)**	**(1,676,772)**	Noninterest-bearing; due and demandable	Unsecured
f.	Entrata Hotel Services, Inc. (EHSI)	**260,051**	**(120,264)**	Noninterest-bearing; due and demandable	Unsecured
g.	Corporate Technologies, Inc. (CTI)	**5,220,741**	**(2,873,889)**	Noninterest-bearing; due and demandable	Unsecured
			(₱27,410,861)		

(Forward)

	2022 Amount/ Volume	Outstanding balance	Terms	Conditions
Due from related parties				
h. FRI	**₱4,061,943**	**₱4,061,943**	Noninterest-bearing; due and demandable	Unsecured
h. CHI	**21,263**	**21,263**	Noninterest-bearing; due and demandable	Unsecured
		₱4,083,206		
Accrued expenses				
c. FLI (Rent)	**₱9,226,418**	**(₱9,226,418)**	Noninterest-bearing; 30-day term upon receipt of billing	Unsecured

	2021 Amount/ Volume	Outstanding balance	Terms	Conditions
Cash and cash equivalents				
Affiliate				
a. Cash and cash equivalents (Note 4)	₱47,120,750	₱53,357,497	Interest-bearing at prevailing market rate	Unrestricted
Interest income	34,759	–	–	–
Due to related parties				
b. Parent Company	₱52,921	(₱52,921)	Noninterest-bearing; due and demandable	Unsecured
c. Filinvest Land, Inc. (FLI)	(1,142,807)	(19,118,117)	Noninterest-bearing; due and demandable	Unsecured
d. Fora Restaurants, Inc. (FRI)	6,618,040	(6,618,040)	Noninterest-bearing; due and demandable	Unsecured
e. Chroma Hospitality, Inc. (CHI)	907,874	(987,249)	Noninterest-bearing; due and demandable	Unsecured
f. Entrata Hotel Services, Inc. (EHSI)	300,940	(380,315)	Noninterest-bearing; due and demandable	Unsecured
Property Specialist Resources, Inc. (PSRI)	(39,750)	–	Noninterest-bearing; due and demandable	Unsecured
g. Corporate Technologies, Inc. (CTI)	1,762,384	(8,094,630)	Noninterest-bearing; due and demandable	Unsecured
		(₱35,251,272)		
Lease liability	(₱1,306,551)	₱–	–	–
Due from related parties				
f. Parent Company	(₱3,648)	₱–	–	–
h. FRI	(330,468)	–	–	–
h. EHSI	(8,621)	–	–	–
		₱–		

Significant transactions with related parties are as follows:

a. The Company maintains cash and cash equivalents with East West Banking Corporation, an entity under common control with FDC.

b. FHC advanced the Company’s costs for incorporation, taxes and licenses and other costs incurred on its pre-opening period.

c. In 2022, the Company entered into an agreement with FHC, wherein the Company is annually charged with admin fee equivalent to one percent (1%) of the Company’s gross operating revenue for receiving various administrative functions. The agreement has a term of one (1) year and automatically renewable every year for a similar term unless terminated by either party. As of December 31, 2022 balance due to parent amounted to ₱0.22 million.

d. In 2019, FLI, an affiliate, advanced the Company’s funding to support its pre-operations and initial working capital to support its operations.

   Rental
   In 2019, the Company entered into a lease agreement with FLI for the lease of space in Quest Hotel for the purpose of the hotel and related operations. The contract pertains to leased premises which consist of hotel rooms owned by FLI. The lease commences beginning April 1, 2019 until March 31, 2021, subject to automatic renewal for a similar term unless terminated by either party.

   The Company agreed to pay variable lease payments equivalent to the Company’s net income less outstanding receivables. In 2022, the Company and FLI confirmed that the composition of condotel revenue considered in the net income computation per its lease agreement to exclude proceeds from insurance claims earmarked for refurbishment, income generating activities from use of function rooms, parking fees and food and beverage operations, among others. In 2022, the Company incurred rent expense amounting to ₱9.23 million (nil in 2021 and 2020).

e. FRI, an affiliate, charges its revenue from food and beverage to the Company as part of the guest’s bill upon bill-out.

f. In July 2018, the Company entered into a management service agreement (the “Agreement”) with CHI, an entity jointly controlled by FDC, whereby CHI provides technical services to the Company with regard to the development and establishment of the hotel during the stages of feasibility, conceptualization, design and construction, and fit-out.

g. EHSI, an affiliate, charges the Company for intercompany expenses.

h. CTI, an affiliate, charges the Company for telecommunication and IT solutions expenses.

   The Company entered into a lease agreement with CTI for the supply of network equipment and implementation services. This contract is effective until September 30, 2021. In 2021, the depreciation of the related right-of-use assets, presented under general and administrative expense in the statement of comprehensive income amounted to ₱1.21 million (nil in 2022; see Note 13). Interest expense related to lease liability recognized amounted to ₱0.04 million and ₱0.47 million in 2021 and 2020, respectively (nil in 2022).

i. The Company charges FHC, FRI, EHSI and CHI for intercompany expenses.

Compensation of key management personnel
Compensation of key management personnel of the Company consists of employee salaries and benefits amounting to ₱2.99 million, ₱1.23 million and ₱1.26 million in 2022, 2021 and 2020, respectively.

12. Cost of Services

This account consists of:

	2022	2021	2020
Utilities	**₱12,072,534**	₱5,354,218	₱7,188,689
Rental (Note 11)	**9,226,418**	–	–
Salaries and wages	**7,384,792**	3,850,652	3,071,786
Commission	**3,357,650**	2,621	339,503
Operating supplies (Note 6)	**2,664,906**	805,521	841,605
Linens	**2,566,677**	–	–
Laundry	**2,388,157**	661,793	510,137
E-commerce fee	**1,460,820**	671,941	154,062
Spa services	**567,075**	–	9,000
Telecommunication	**390,068**	203,585	844,828
Travel and transportation	**480,209**	146,516	126,737
Contracted services	**114,375**	326,424	105,000
Others	**1,352,643**	589,144	529,027
	₱44,026,324	₱12,612,415	₱13,720,374

Others include payment for office supplies, cable, uniforms, printing, decorations and other miscellaneous expenses.

13. General and Administrative Expenses

This account consists of:

	2022	2021	2020
Salaries, wages and benefits	**₱6,450,504**	₱4,729,010	₱4,227,782
Corporate office reimbursable	**3,478,024**	100,710	46,200
Repairs and maintenance	**2,921,120**	1,359,448	397,197
Management fees	**2,307,833**	883,561	3,653,190
Security services	**2,184,558**	1,296,383	1,479,194
E-commerce fee	**1,794,354**	812,678	1,737,545
System costs	**1,696,475**	2,182,815	941,046
Telecommunication	**1,420,925**	1,141,615	320,393
Travel and transportation	**1,819,484**	1,763,683	236,975
Credit card service fee	**1,321,101**	–	–
Insurance premium	**1,131,853**	1,095,600	988,714
Contracted services	**1,071,438**	–	18,503
Administrative fee	**823,389**	–	–
Sales office expenses	**630,145**	545,256	1,441,909
Representation and entertainment	**460,756**	–	–
Depreciation and amortization (Notes 8 and 11)	**360,563**	1,406,492	3,224,412
Taxes and licenses	**315,082**	622,458	331,076
Professional fees	**252,925**	204,000	120,000
Office and cleaning supplies	**132,208**	61,479	108,762
Rental (Note 11)	–	–	450,000
Others	**2,442,628**	1,744,440	2,009,826
	₱33,015,365	₱19,949,628	₱21,732,724

Others include recruitment and training expenses, medical expenses, postage and mailing charges, printing, dues and subscription, and other operating expenses from various administrative departments of the Company.

14. Equity

As of December 31, 2022 and 2021, the capital stock of the Company consists of:

	No. of Shares	Amount
Authorized - ₱100 par value	₱16,000	₱1,600,000
Subscribed and issued shares	4,000	400,000

Capital Management
The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2022 and 2021.

As of December 31, 2022 and 2021, the Company considers its capital stock amounted to ₱0.40 million as its capital employed.

The Company is not subject to externally imposed capital requirements.

15. Income Taxes

The provision for (benefit from) income tax consists of:

	2022	2021	2020
Current	**₱3,580,704**	₱798,549	₱–
Final	**159,930**	7,038	6,078
Deferred	–	29,219	(29,219)
	₱3,740,634	₱834,806	(₱23,141)

Corporate Recovery and Tax Incentives for Enterprises ('CREATE') Act
On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. Applying the provisions of the CREATE Act, the Company will be subjected to the RCIT rate of twenty-five percent (25%) or MCIT of one percent (1%).

As a result of reduction in RCIT rate, the provision for deferred tax for the year ended December 31, 2020 and deferred tax assets as of December 31, 2020 decreased by ₱4,870. No impact on provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020.

As of December 31, 2022 and 2021, provision for current income tax and deferred tax are recognized based on the effective income tax rate of 25%.

The reconciliation of the income tax computed at statutory rate to provision for (benefit from) income tax follows:

	2022	2021	2020
Income tax at statutory income tax rate	**₱3,780,617**	₱836,514	₱964,459
Tax effects of:			
Interest income subjected to final tax	**(39,983)**	(1,760)	(3,039)
Movement in unrecognized deferred tax assets	–	(4,818)	(984,561)
Change in tax rate as a result of CREATE Act	–	4,870	–
	₱3,740,634	₱834,806	(₱23,141)

16. Segment Reporting

The Company has determined that it is operating as one operating segment. Based on management's assessment, no part or component of the business of the Company meets the qualifications of an operating segment as defined by PFRS 8, *Operating Segments.*

The Company's hotel operations is its only income generating activity and such is the measure used by the chief operating decision maker (CODM) in allocating resources. Rooms revenue recognized from government contracts represent 5.75%, 42.04% and 97.75% of the Company's total revenue for the years ended December 31, 2022, 2021 and 2020, respectively.

17. Financial Assets and Financial Liabilities

Fair Value Information

The carrying values of cash and cash equivalents, receivables, security deposits (presented under other current assets), accounts and other payables (except statutory payables) and due from and to related parties approximate their fair values as of December 31, 2022 and 2021 due to the short-term nature of the transactions.

Financial Risk Management Objectives and Policies

The Company's financial instruments include the Company's cash, due from related parties, security deposits (presented under other current assets), accounts and other payables (except statutory payables), and due from and to related parties.

The main purpose of these financial instruments is to finance the Company's operations. The main objectives of the Company's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is the Company's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The table below shows the summary of maximum credit risk exposure on financial assets:

	2022	2021
Cash and cash equivalents*	**₱91,733,985**	₱59,078,734
Receivables	**11,536,941**	12,817,984
Due from related parties	**4,083,206**	–
Security deposits	**9,200**	–
	₱107,363,332	₱71,896,718

**Excludes cash on hand.*

As of December 31, 2022 and 2021, all financial assets classified as neither past due nor impaired has high grade in terms of credit quality rating. High grade is the highest possible rating, which pertains to accounts with very low credit risk exposure. High grade also pertains to receivables with no possible default in payment based on historical experience and evaluation of financial conditions of the creditor.

Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its financial obligations when due. The Company monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows.

Maturity profile of the Company's financial instruments as at December 31 follow:

	2022			
	On demand	**Less than 3 months**	**3 to 12 months**	**Total**
Financial assets				
Cash and cash equivalents	**₱27,620,834**	**₱65,529,539**	**₱–**	**₱93,150,373**
Receivables	**–**	**11,536,941**	**–**	**11,536,941**
Due from related parties	**4,083,206**	**–**	**–**	**4,083,206**
	₱31,704,040	**₱77,066,480**	**₱–**	**₱108,770,520**
Financial liabilities				
Accounts and other payables*	**₱–**	**₱62,423,763**	**₱–**	**₱62,423,763**
Due to related parties	**27,410,861**	**–**	**–**	**27,410,861**
	₱27,410,861	**₱62,423,763**	**₱–**	**₱89,834,624**

**Excludes statutory payables amounting to ₱5.65 million.*

	2021			
	On demand	Less than 3 months	3 to 12 months	Total
Financial assets				
Cash and cash equivalents	₱30,507,260	₱30,000,000	₱–	₱60,507,260
Receivables	–	12,817,984	–	12,817,984
	₱30,507,260	₱42,817,984	₱–	₱73,325,244
Financial liabilities				
Accounts and other payables*	₱–	₱32,502,881	₱–	₱32,502,881
Due to related parties	35,251,272	–	–	35,251,272
	₱35,251,272	₱32,502,881	₱–	₱67,754,153

**Excludes statutory payables amounting to ₱8.83 million.*

18. Income from Insurance Claims

In January 2020, Taal Volcano's eruption interrupted the Company's hotel operations which resulted to business losses. The Company filed a Notice of Claim to the insurance firm on account of losses due to the volcanic eruption. The Company received an offer letter for the proposed settlement for the business interruption loss amounting to ₱9.47 million to which the Company conform and received as of December 31, 2022.

19. Other Matters

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Company's business activities. The Company continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Company. Measures currently undertaken by the Company to mitigate the risks of COVID-19 pandemic on its operations include work-from-home arrangements, proper and frequent sanitation of office premises, and the practice of social distancing through remote communication, among others.

In 2022, reopening process for hotel operators has slowly begun as domestic and international travel gradually reduced restrictions. Hotel operations in January 2022 was generally affected by the surge of COVID 19 cases. In February 2022, hotel operations improved due to implementation of Alert Level 1 and the change to multiple use from quarantine facility. These changes drive the increasing revenue trend starting first quarter of 2022.

The Company continues to anticipate and adopt the global protocol for the "New Normal" as announced by Word Travel and Tourism Council Board.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Fora Services, Inc. doing business as Quest Hotel Tagaytay
Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway
Silang Junction, Barangay Silang Crossing East
Tagaytay, 4120 Cavite

We have audited the accompanying financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, on which we have rendered the attached report dated March 3, 2023.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has one (1) stockholder owning one hundred (100) or more shares.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador
Partner
CPA Certificate No. 0118546
Tax Identification No. 248-679-852
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 118546-SEC (Group A)
Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026
PTR No. 9564692, January 3, 2023, Makati City

March 3, 2023

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Fora Services, Inc. doing business as Quest Hotel Tagaytay
Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway
Silang Junction, Barangay Silang Crossing East
Tagaytay, 4120 Cavite

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 3, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

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PTR No. 9564692, January 3, 2023, Makati City

March 3, 2023

SUPPLEMENTARY INFORMATION
REQUIRED UNDER REVENUE REGULATIONS 15-2010

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes and license fees paid or accrued during the taxable year.

Value added tax (VAT)
The Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT.

a. Net sales/receipts and output VAT declared in the Company's VAT returns

	Net sales/ receipts	Output VAT
Taxable sales/receipts	₱76,133,680	₱9,136,042

b. Input VAT

Balance at January 1	₱–
Current year's domestic purchases/payments for:	
Purchase of goods other than capital goods	699,700
Domestic purchase of services	3,059,775
	3,759,475
Less: Applied output VAT	(3,759,475)
Balance at December 31	₱–

Taxes and licenses
In 2022, taxes and licenses solely pertain to payments of business permit and other licenses amounting to ₱315,082 which are lodged under "Taxes and licenses" account in "General and administrative expenses" in the statement of comprehensive income.

Withholding taxes

	For the year	Outstanding balance
Withholding taxes on compensation and benefits	₱1,834,526	₱–
Expanded withholding taxes	882,325	209,289
	₱2,716,851	₱209,289

The outstanding withholding tax payable is included under "Accounts and other payables" account in the statement of financial position.

Tax Assessments and Cases
In 2022, the Company has no deficiency tax assessment, whether protested or not, nor tax cases under preliminary investigation, litigation and or prosecution in courts or bodies outside the BIR.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

INDEX TO SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex C: Supplementary Schedules Required by Revised SRC Rule 68 (Annex 68-J)

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to related parties
- Schedule F. Guarantees of securities of other issuers
- Schedule G. Capital stock

ANNEX A

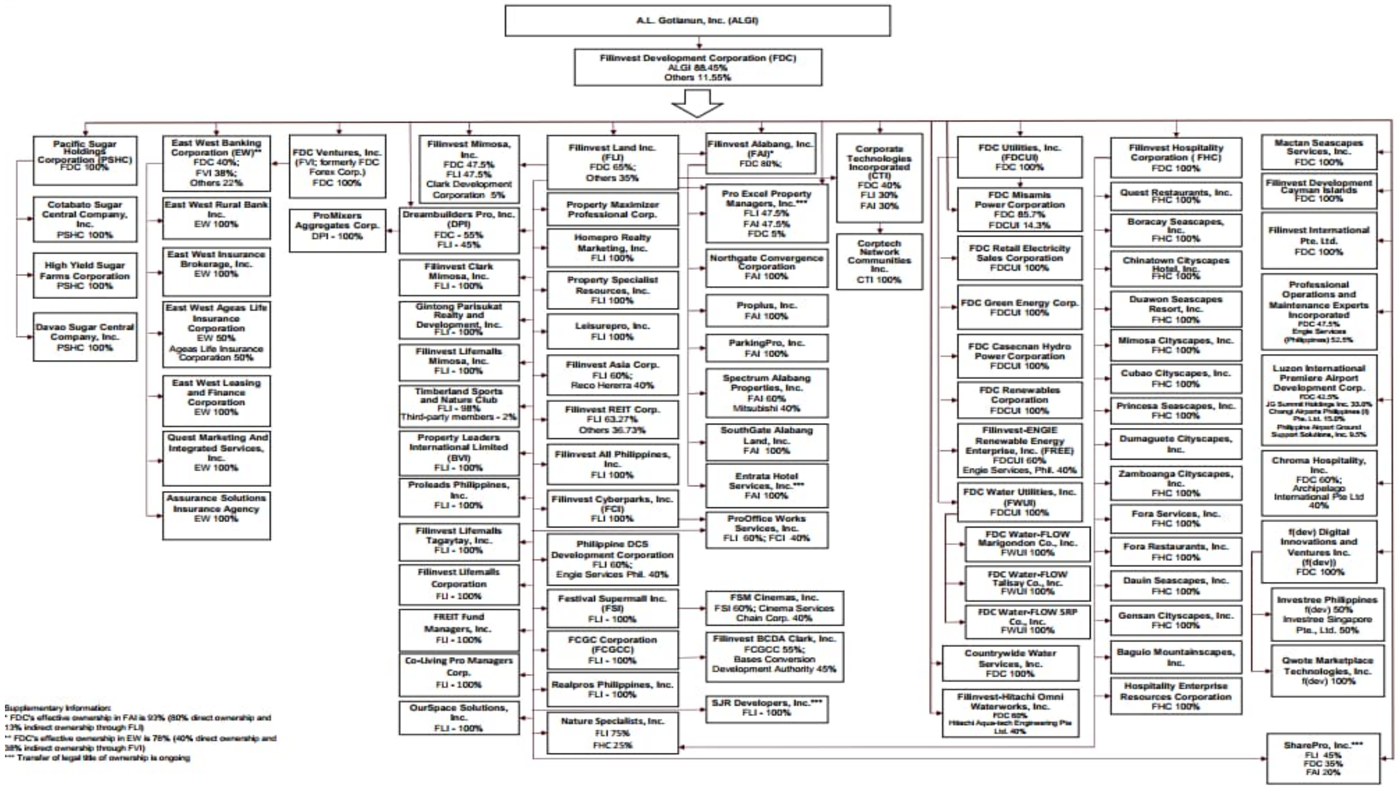
FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2022

Unappropriated Retained Earnings (Deficit), January 1, 2022		₱2,457,709
Less: Deferred tax assets as of December 31, 2021		–
Retained earnings (deficit) as adjusted to amount available for dividend declaration, beginning		₱2,457,709
Net income actually earned/realized during the period:		
Net income during the period closed to retained earnings	11,381,836	
Less: Non-actual/unrealized income net of tax	–	
Equity in net income of associate/joint venture	–	
Unrealized foreign exchange gain-net (except those attributable to Cash and Cash equivalents)	–	
Fair value adjustment (M2M gains)	–	
Fair value adjustment of investment property resulting to gain	–	
Adjustment due to deviation from PFRS/GAAP-gain	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	–	
Adjustment due to deviation from PFRS/GAAP-loss	–	
Loss on fair value adjustment of investment property (after tax)	–	
Net income actually earned during the period		₱11,381,836
Add (less):		
Movement in deferred tax assets		–
Dividend declarations during the period		–
Transfer of remeasurement gain on retirement plan		–
Appropriations of retained earnings during the period		–
Unappropriated Retained Earnings, as adjusted December 31, 2022		₱13,839,545

ANNEX B

FOR A SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES
DECEMBER 31, 2022



ANNEX C

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY
SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY REVISED SRC RULE 68 (ANNEX 68-J)
DECEMBER 31, 2022

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribes the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 and 68.1 as amended that are relevant to Fora Services, Inc. (“the Company”). This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets

The entity’s Financial Assets comprises of cash and cash equivalents, receivables and security deposits. As stated in the regulation, before mentioned amount should be provided if the aggregate cost or the market value of FVTPL as of the end of the reporting period is 5% or more of the total current asset. As of December 31, 2022, the entity recorded the financial assets as financial assets at amortized cost, therefore it is deemed assumed that this schedule is not applicable to the Company.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

As of December 31, 2022, all amounts receivable from employees and related parties pertain to items arising in the ordinary course of business and does not meet the minimum required balance as stated in the Revised SRC Rule to be presented in the report. This schedule is not applicable to the Company.

Schedule C. Amounts Receivable from Related Parties, which are eliminated during the consolidation of financial statements

Below is the list of outstanding receivables from related parties of the Company, presented in the financial statements as of December 31, 2022.

	Balance at beginning of period	Additions	Amounts collected	Balance at end of period
Fora Restaurants, Inc. (FRI)	₱–	₱4,061,943	₱–	₱4,061,943
Chroma Hospitality, Inc. (CHI)	–	21,263	–	21,263
	₱–	₱4,083,206	₱–	₱4,083,206

The receivables from related parties pertain to share in common expenses, all are noninterest-bearing and are expected to be settled within the year. There were no amounts written off during the year.

Schedule D. Long-term Debt

This schedule is not applicable since the Company does not have any long-term debt as of December 31, 2022.

Schedule E. Indebtedness to Related Parties

This schedule is not applicable since the Company does not have noncurrent indebtedness to its related parties as of December 31, 2022.

Schedule F. Guarantees of Securities of Other Issuers

This schedule is not applicable since the Company does not have guarantees of securities of other issuers as of December 31, 2022.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	16,000	4,000	−	3,995	5	None

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
Fora Services, Inc. doing business as Quest Hotel Tagaytay
Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway
Silang Junction, Barangay Silang Crossing East
Tagaytay, 4120 Cavite

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay as at December 31, 2022 and 2021 and for the each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 3, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2022 and 2021 and for the three years in the period ended December 31, 2022 and no material exceptions were noted.

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March 3, 2023

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	**Formula**	**2022**	2021
Current Ratio	Total Current assets divided by Total Current Liabilities Total Current Assets ₱111,967,979 Divide by: Total Current Liabilities 98,689,269 Current Ratio 1.13	**1.13**	1.03
Debt Ratio	Total Liabilities divided by Total Assets Total Liabilities ₱98,689,269 Divide by: Total Assets 112,928,814 Debt Ratio 0.87	**0.87**	0.96
Quick Asset Ratio	Quick Assets *(total current assets less inventories)* divided by Current Liabilities Total Current Assets ₱111,967,979 Less: Inventories 1,673,358 Quick Assets 110,294,621 Divide by: Total Current Liabilities 98,689,269 Quick Asset Ratio 1.12	**1.12**	1.02
Solvency Ratio	Net Income before Depreciation *(net income plus depreciation)* divided by Total Liabilities Net Income ₱11,381,836 Add: Depreciation 360,563 Net Income before Depreciation 11,742,399 Divide by: Total Liabilities 98,689,269 Solvency Ratio 0.12	**0.12**	0.05
Interest Coverage Ratio	Earnings before Interest and Other Charges and Income Tax (EBIT) divided by Interest Expense EBIT ₱15,122,470 Divide by: Interest Expense – Interest Coverage Ratio –	–	78.01
Net Profit Margin	Net Income divided by Revenue Net Income ₱11,381,836 Divide by: Revenue 81,873,025 Net Profit Margin 0.14	**0.14**	0.07

Ratio	**Formula**			**2022**	2021
Return on Equity	Net Income divided by Total Equity			**0.80**	0.88
		Net Income	₱11,381,836		
		Divide by: Total Equity	14,239,545		
		Return on Equity	0.80		
Return on Assets	Net Income divided by Average Total Assets			**0.12**	0.03
		Net Income	₱11,381,836		
		Divide by: Average Total Assets	96,547,228		
		Return on Assets	0.12		
Asset-to-Equity Ratio	Total Assets divided by Total Equity			**7.93**	28.05
		Total Assets	₱112,928,814		
		Divide by: Equity	14,239,545		
		Asset-to-Equity Ratio	7.93		

ANNEX A
SAMPLE COMPUTATION OF FINAL SHARE IN PARTICIPATION INTEREST FOR 164 CERTIFICATE HOLDERS

Certificate Holder	Joining Fee (n Php)	Participation Interest Rate	Unadjusted Participation Interest (in Php)	Room Nights Available *	Room Use Privilege availment	Room Nights Contribution	Room Nights Contribution Ratio	Adjusted Participation Interest	Participation Interest Ratio	Final Share in Participation Interest (in Php)
	A	B = Total Unadjusted Participation Interest / Total Joining Fee	C = A x B	D	E	F = D - E	G = F / D	H = C x G	I = H / Total H	J = I x Total C
Studio 23										
Unit 1	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 2	187,722	35.6%	66,919	365	14	351	96%	64,353	0.48%	65,208
Unit 3	187,722	35.6%	66,919	365	5	360	99%	66,003	0.50%	66,880
Unit 4	187,722	35.6%	66,919	365	2	363	99%	66,553	0.50%	67,438
Unit 5	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 6	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 7	187,722	35.6%	66,919	365	10	355	97%	65,086	0.49%	65,951
Unit 8	187,722	35.6%	66,919	365	1	364	100%	66,736	0.50%	67,623
Unit 9	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 10	187,722	35.6%	66,919	365	10	355	97%	65,086	0.49%	65,951
Unit 11	187,722	35.6%	66,919	365	1	364	100%	66,736	0.50%	67,623
Unit 12	187,722	35.6%	66,919	365	1	364	100%	66,736	0.50%	67,623
Unit 13	187,722	35.6%	66,919	365	1	364	100%	66,736	0.50%	67,623
Unit 14	187,722	35.6%	66,919	365	1	364	100%	66,736	0.50%	67,623
Unit 15	187,722	35.6%	66,919	365	3	362	99%	66,369	0.50%	67,252
Unit 16	187,722	35.6%	66,919	365	3	362	99%	66,369	0.50%	67,252
Unit 17	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 18	187,722	35.6%	66,919	365	3	362	99%	66,369	0.50%	67,252
Unit 19	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809

Unit 20	187,722	35.6%	66,919	365	2	363	99%	66,553	0.50%	67,438
Unit 21	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 22	187,722	35.6%	66,919	365	5	360	99%	66,003	0.50%	66,880
Unit 23	187,722	35.6%	66,919	365	2	363	99%	66,553	0.50%	67,438
Unit 24	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 25	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 26	187,722	35.6%	66,919	365	6	359	98%	65,819	0.50%	66,694
Unit 27	187,722	35.6%	66,919	365	3	362	99%	66,369	0.50%	67,252
Unit 28	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 29	187,722	35.6%	66,919	365	8	357	98%	65,453	0.49%	66,323
Unit 30	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 31	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 32	187,722	35.6%	66,919	365	8	357	98%	65,453	0.49%	66,323
Unit 33	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 34	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 35	187,722	35.6%	66,919	365	9	356	98%	65,269	0.49%	66,137
Unit 36	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 37	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 38	187,722	35.6%	66,919	365	10	355	97%	65,086	0.49%	65,951
Unit 39	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 40	187,722	35.6%	66,919	365	10	355	97%	65,086	0.49%	65,951
Unit 41	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 42	187,722	35.6%	66,919	365	12	353	97%	64,719	0.49%	65,580
Unit 43	187,722	35.6%	66,919	365	11	354	97%	64,903	0.49%	65,766
Unit 44	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 45	187,722	35.6%	66,919	365	14	351	96%	64,353	0.48%	65,208

Unit 46	187,722	35.6%	66,919	365	3	362	99%	66,369	0.50%	67,252
Unit 47	187,722	35.6%	66,919	365	1	364	100%	66,736	0.50%	67,623
Unit 48	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 49	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 50	187,722	35.6%	66,919	365	5	360	99%	66,003	0.50%	66,880
Unit 51	187,722	35.6%	66,919	365	14	351	96%	64,353	0.48%	65,208
Unit 52	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 53	187,722	35.6%	66,919	365	8	357	98%	65,453	0.49%	66,323
Unit 54	187,722	35.6%	66,919	365	6	359	98%	65,819	0.50%	66,694
Unit 55	187,722	35.6%	66,919	365	7	358	98%	65,636	0.49%	66,509
Unit 56	187,722	35.6%	66,919	365	10	355	97%	65,086	0.49%	65,951
Unit 57	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 58	187,722	35.6%	66,919	365	14	351	96%	64,353	0.48%	65,208
Unit 59	187,722	35.6%	66,919	365	5	360	99%	66,003	0.50%	66,880
Unit 60	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 61	187,722	35.6%	66,919	365	5	360	99%	66,003	0.50%	66,880
Unit 62	187,722	35.6%	66,919	365	0	365	100%	66,919	0.50%	67,809
Unit 63	187,722	35.6%	66,919	365	10	355	97%	65,086	0.49%	65,951
Studio 27										
Unit 64	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 65	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 66	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 67	220,370	35.6%	78,558	365	5	360	99%	77,482	0.58%	78,512
Unit 68	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 69	220,370	35.6%	78,558	365	2	363	99%	78,127	0.59%	79,166
Unit 70	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 71	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549

Unit 72	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 73	220,370	35.6%	78,558	365	10	355	97%	76,405	0.58%	77,421
Unit 74	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 75	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 76	220,370	35.6%	78,558	365	2	363	99%	78,127	0.59%	79,166
Unit 77	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 78	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 79	220,370	35.6%	78,558	365	5	360	99%	77,482	0.58%	78,512
Unit 80	220,370	35.6%	78,558	365	7	358	98%	77,051	0.58%	78,075
Unit 81	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 82	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 83	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 84	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 85	220,370	35.6%	78,558	365	10	355	97%	76,405	0.58%	77,421
Unit 86	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 87	220,370	35.6%	78,558	365	2	363	99%	78,127	0.59%	79,166
Unit 88	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 89	220,370	35.6%	78,558	365	10	355	97%	76,405	0.58%	77,421
Unit 90	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 91	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 92	220,370	35.6%	78,558	365	8	357	98%	76,836	0.58%	77,857
Unit 93	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 94	220,370	35.6%	78,558	365	6	359	98%	77,266	0.58%	78,293
Unit 95	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 96	220,370	35.6%	78,558	365	4	361	99%	77,697	0.58%	78,730
Unit 97	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602

Unit 98	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 99	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 100	220,370	35.6%	78,558	365	4	361	99%	77,697	0.58%	78,730
Unit 101	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 102	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 103	220,370	35.6%	78,558	365	10	355	97%	76,405	0.58%	77,421
Unit 104	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 105	220,370	35.6%	78,558	365	12	353	97%	75,975	0.57%	76,985
Unit 106	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 107	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 108	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 109	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 110	220,370	35.6%	78,558	365	8	357	98%	76,836	0.58%	77,857
Unit 111	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 112	220,370	35.6%	78,558	365	6	359	98%	77,266	0.58%	78,293
Unit 113	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 114	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 115	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 116	220,370	35.6%	78,558	365	4	361	99%	77,697	0.58%	78,730
Unit 117	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 118	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 119	220,370	35.6%	78,558	365	5	360	99%	77,482	0.58%	78,512
Unit 120	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Unit 121	220,370	35.6%	78,558	365	14	351	96%	75,544	0.57%	76,549
Unit 122	220,370	35.6%	78,558	365	7	358	98%	77,051	0.58%	78,075
Unit 123	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602

Unit 124	220,370	35.6%	78,558	365	0	365	100%	78,558	0.59%	79,602
Studio 29										
Unit 125	236,694	35.6%	84,377	365	0	365	100%	84,377	0.64%	85,498
Unit 126	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Unit 127	236,694	35.6%	84,377	365	5	360	99%	83,221	0.63%	84,327
Unit 128	236,694	35.6%	84,377	365	0	365	100%	84,377	0.64%	85,498
Unit 129	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Unit 130	236,694	35.6%	84,377	365	0	365	100%	84,377	0.64%	85,498
Unit 131	236,694	35.6%	84,377	365	0	365	100%	84,377	0.64%	85,498
Unit 132	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Unit 133	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Unit 134	236,694	35.6%	84,377	365	5	360	99%	83,221	0.63%	84,327
Unit 135	236,694	35.6%	84,377	365	10	355	97%	82,065	0.62%	83,156
Unit 136	236,694	35.6%	84,377	365	8	357	98%	82,527	0.62%	83,624
Unit 137	236,694	35.6%	84,377	365	6	359	98%	82,990	0.62%	84,093
Unit 138	236,694	35.6%	84,377	365	4	361	99%	83,452	0.63%	84,561
Unit 139	236,694	35.6%	84,377	365	0	365	100%	84,377	0.64%	85,498
Unit 140	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Unit 141	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Unit 142	236,694	35.6%	84,377	365	14	351	96%	81,140	0.61%	82,219
Suite 44										
Unit 143	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 144	359,121	35.6%	128,020	365	14	351	96%	123,110	0.93%	124,746
Unit 145	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 146	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 147	359,121	35.6%	128,020	365	2	363	99%	127,318	0.96%	129,011
Unit 148	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722

Unit 149	359,121	35.6%	128,020	365	14	351	96%	123,110	0.93%	124,746
Unit 150	359,121	35.6%	128,020	365	5	360	99%	126,266	0.95%	127,945
Unit 151	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 152	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 153	359,121	35.6%	128,020	365	6	359	98%	125,915	0.95%	127,589
Unit 154	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 155	359,121	35.6%	128,020	365	14	351	96%	123,110	0.93%	124,746
Unit 156	359,121	35.6%	128,020	365	7	358	98%	125,565	0.95%	127,234
Unit 157	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 158	359,121	35.6%	128,020	365	8	357	98%	125,214	0.94%	126,879
Unit 159	359,121	35.6%	128,020	365	0	365	100%	128,020	0.96%	129,722
Unit 160	359,121	35.6%	128,020	365	10	355	97%	124,512	0.94%	126,168
Suite 54										
Unit 161	440,740	35.6%	157,115	365	0	365	100%	157,115	1.18%	159,204
Unit 162	440,740	35.6%	157,115	365	14	351	96%	151,089	1.14%	153,097
Unit 163	440,740	35.6%	157,115	365	14	351	96%	151,089	1.14%	153,097
Unit 164	440,740	35.6%	157,115	365	0	365	100%	157,115	1.18%	159,204
TOTAL	**37,756,700**		**13,459,543**			**19416**		**13,282,962**		**13,459,543**