

**COVER SHEET**

C S 2 0 1 8 1 8 3 3 9  
S.E.C. Registration Number

F O R A S E R V I C E S , I N C . D O I N G B U S I -  
N E S S A S Q U E S T H O T E L T A G A Y T A Y  
\_\_\_\_\_  
\_\_\_\_\_

(Company's Full Name)

F O R A R O T U N D A T A G A Y T A Y , E M I L I O  
A G U I N A L D O H I G H W A Y , S I L A N G C R O S -  
S I N G E A S T , T A G A Y T A Y , C A V I T E

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

c/o Atty. Katrina O. Clemente-Lua  
Contact Person

7918-8188  
Company Telephone Number

**Preliminary Information Statement**

\_\_\_\_\_  
Month Fiscal Year Day

P I S  
FORM TYPE

\_\_\_\_\_  
Month Annual Meeting Day

\_\_\_\_\_  
Secondary License Type; If Applicable

C F D  
Dept. Requiring this Doc.

\_\_\_\_\_  
Amended Articles Number / Section

\_\_\_\_\_  
Total No. of Stockholders

\_\_\_\_\_  
Domestic

\_\_\_\_\_  
Foreign

-----  
To be accomplished by SEC Personnel concerned

\_\_\_\_\_  
File Number

\_\_\_\_\_  
LCU

\_\_\_\_\_  
Document I.D.

\_\_\_\_\_  
Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes



**FORA SERVICES, INC.**  
**doing business as Quest Hotel Tagaytay**

**TO ALL STOCKHOLDERS:**

Notice is hereby given that the Annual Meeting of the Stockholders of **FORA SERVICES, INC. doing business as Quest Hotel Tagaytay ("FOSI")** will be held on **Friday, 25 October 2024, at 9:00 A. M., via remote communication (Microsoft Teams)** in accordance with the Securities and Exchange Commission Memorandum Circular ("SEC MC") No. 6, Series of 2020.

The Agenda of the Meeting shall be as follows:

- I. Call to Order
- II. Certification of Quorum
- III. Approval of the Minutes of the last Annual Stockholders' Meeting held on 9 November 2023
- IV. President's Report
- V. Ratification of the 2023 Audited Financial Statements
- VI. Ratification of all acts of the Board of Directors, Board Committees, and Management, from the date of last Annual Stockholders' Meeting up to 25 October 2024
- VII. Election of Directors
- VIII. Appointment of External Auditor
- IX. Other Matters
- X. Adjournment

In compliance with SEC MC No. 6, series of 2020, FOSI shall conduct its Annual Stockholders' Meeting online and the stockholders may attend and participate in the meeting by remote communication, voting *in absentia* and/or appointing the Chairman of the meeting as their proxy. The procedure and requirements for remote communication and voting *in absentia* will be explained in the Information Statement.

Only Stockholders of Record as of 5:00 PM of 30 August 2024 shall be entitled to vote at this meeting. Stockholders who wish to vote by proxy shall submit the same on or before 14 October 2024 to the Office of the Corporate Secretary, located at Filinvest Building, 79 EDSA,



TAGAYTAY

Highway Hills, Mandaluyong City 1550, Metro Manila. A proxy submitted by a corporation should be accompanied by a Corporate Secretary's certificate quoting the board resolution designating a corporate officer to execute the proxy.

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES.

The nomination and election of the members of the Board of Directors should be in accordance with the nomination forms, procedures and requirements adopted by the Board of Directors. Any stockholder may obtain the required nomination form from, and must submit his nominations to, the Office of the Corporate Secretary at Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila, not later than 23 September 2024.

All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance and conformity of their nominee. The nomination must indicate whether the nominees are intended to be independent directors. Further, all nominations should include (i) the curriculum vitae of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications, such as the nominee's age, educational attainment, full disclosure of work and/or business experience and/or affiliations. The directors and independent directors shall be elected from among FOSI's stockholders. All nominees for directors and independent directors must possess the minimum requirements/qualifications and none of the disqualifications prescribed by the Securities and Exchange Commission and in FOSI's Manual on Corporate Governance.

The Corporation's Information Statement, Management Report, and 2023 Audited Financial Statements will be made available and sent to its stockholders no later than 04 October 2024. Pursuant to SEC MC No. 6, Series of 2020, please be informed that there will be a visual and audio recording of the meeting.

Please be guided accordingly.

**KATRINA O. CLEMENTE-LUA**  
Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter: **FORA SERVICES, INC. doing business as Quest Hotel Tagaytay**

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

4. SEC Identification Number: **CS201818339**

5. BIR Tax Identification Code: **010-114-986**

6. Address of principal office: **Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway, Silang Junction, Barangay Silang Crossing East, Tagaytay, Cavite**

Postal Code: **4120**

7. Registrant's telephone number, including area code: **+632 8846-0278**

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

Date: **25 October 2024**

Time: **9:00 a.m.**

Place: **No physical meeting**

The annual stockholders' meeting shall be held remotely *via* Microsoft Teams.

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

**On or before 04 October 2024**

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

Class	Number of Certificates per Class	Offer Price per Certificate	Aggregate Offer Price per Class
Studio 23	63	Php187,700	Php11,825,100
Studio 27	61	Php220,400	Php13,444,400
Studio 29	18	Php236,700	Php4,260,600

Suite 44	18	Php359,100	Php6,463,800
Suite 54	4	Php440,700	Php1,762,800
<b>TOTAL</b>	<b>164</b>		<b>Php37,756,700</b>

11. Are any or all of registrant's securities listed in a Stock Exchange? **No.**

Name of such Stock Exchange and the class of securities listed therein: **N/A**

**WE ARE NOT ASKING FOR A PROXY AND YOU ARE NOT BEING REQUESTED  
TO SEND US A PROXY**

## PART I INFORMATION REQUIRED IN INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### **Item 1. Date, Time and Place of the Annual Meeting of Stockholders**

- (a) The annual stockholders' meeting of **FORA SERVICES, INC. doing business as Quest Hotel Tagaytay** (the "Company" or "FOSI") for the year 2024 is scheduled on **25 October 2024, 9:00 a.m.** through a virtual meeting held *via* Microsoft Teams. The presiding officer shall call and preside over the stockholders' meeting at the principal office of the Corporation or, if not practicable, in the city or municipality where the principal office of the Corporation is located.

The complete mailing address of FOSI is at Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway, Silang Junction, Barangay Silang Crossing East, Tagaytay, 4120 Cavite.

- (b) The information statement shall be made available to the stockholders no later than **04 October 2024**.

#### **Item 2. Dissenter's Right of Appraisal**

A stockholder of the Company has the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences superior in any respect to those of outstanding shares or any shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code of the Philippines ("Revised Corporation Code"); (c) in case of investment of corporate funds in any other corporation or business or for any purpose other than the Company's primary purpose; and (d) in case of merger or consolidation.

The stockholder concerned must have voted against the proposed corporate action in order to avail himself of the appraisal right. As provided in the Revised Corporation Code, the procedure in the exercise of the appraisal right is as follows:

- a. The dissenting stockholder files a written demand within thirty (30) days after the date on which the vote was taken in which he registered a negative vote. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within ten (10) days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the shares by the corporation, all rights accruing to the shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof.
- b. If the corporate action is implemented, the corporation shall pay the stockholder the fair value of his shares upon surrender of the corresponding certificate/s of stock. Fair value

is determined by the value of the shares of the corporation on the day prior to the date on which vote is taken on the corporate action, excluding any appreciation or depreciation in value in anticipation of the vote on the corporate action.

- c. If the fair value is not determined within sixty (60) days from the date of the vote, it will be determined by three (3) disinterested persons (one chosen by the corporation, another chosen by the stockholder, and the third one chosen jointly by the two thus chosen). The findings of the majority of the appraisers will be final, and their award will be paid by the corporation within (30) days following such award. Upon such payment, the stockholder shall forthwith transfer his shares to the corporation. No payment shall be made to the dissenting stockholder unless the corporation has unrestricted retained earnings sufficient to cover such payment.
- d. If the stockholder is not paid within thirty (30) days from such award, his voting and dividend rights shall be immediately restored.

There is no matter to be taken up at the annual meeting on **25 October 2024** which would entitle a dissenting stockholder to exercise the right of appraisal.

**Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No director or executive officer of FOSI or nominee for election as such director or officer has any substantial interest, direct or indirect, in any matter to be acted upon at the annual stockholders' meeting, other than election to office (in the case of directors).
- (b) Likewise, none of the directors has informed FOSI of his opposition to any matter to be taken up at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

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

- (a) As of **18 September 2024**, the total number of shares outstanding and entitled to vote in the annual meeting is **4,000** common shares. Each share is entitled to one vote.
- (b) The record date for purposes of determining the stockholders entitled to notice of and to vote at the annual stockholders' meeting is **30 August 2024**. Stockholders of record as of 30 August 2024 may participate in the meeting by remote communications or appointing the Chairman of the meeting as their proxy.
- (c) A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit: *Provided*, That the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the whole number of directors to be

elected. The stockholder must be a stockholder of record as of **30 August 2024** to be able to exercise cumulative voting rights. There are no conditions precedent to the exercise of the stockholder's cumulative voting right.

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

The names, addresses, citizenship, number of shares held, and percentage to total of persons owning more than five percent (5%) of the outstanding voting shares of FOSI as of **18 September 2024** are as follows:

Title of Class of Securities	Name/ Address of Record Owner and Relationship with FOSI	Name of Beneficial Owner/ Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
Common	<b>Filinvest Hospitality Corporation ("FHC")</b> 8 <sup>th</sup> Floor, Vector Two Building, Northgate Cyberzone, Filinvest City, Alabang, Muntinlupa City	Same as the Record Owner	Filipino	3,995	99.9%

Except as stated above, the Board of Directors and Management of the Company have no knowledge of any person who, as of the date of the Information Statement, was directly or indirectly the beneficial owner of more than five percent (5%) of the Company's outstanding shares or who has voting power or investment power with respect to shares comprising more than five percent (5%) of the Company's outstanding common stock.

Total number of shares of all record and beneficial owners is 4,000 common shares representing 100% of the total issued and outstanding common shares.

As of **18 September 2024**, there is no voting share of FOSI which is owned by foreigners.

The names, citizenship, number of shares held and percentage to total of persons forming part of the Board of Directors and Management of the Company as of **18 September 2024** are as follows:

Title of Class of Securities	Name	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common	Francis V. Ceballos	1 Common (D)	Filipino	0.025% (D)
Common	Francis Nathaniel C. Gotianun	1 Common (D)	Filipino	0.025% (D)
Common	Ana Venus A. Mejia	1 Common (D)	Filipino	0.025% (D)
Common	William Michael V. Valtos, Jr.	1 Common (D)	Filipino	0.025% (D)
Common	Nicasio C. Cabaneiro	1 Common (D)	Filipino	0.025% (D)
N.A.	Nancy R. Rivera	0	Filipino	N.A.
N.A.	Maria Victoria M. Reyes-Beltran	0	Filipino	N.A.
N.A.	Katrina O. Clemente-Lua	0	Filipino	N.A.



Title of Class of Securities	Name	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
N.A.	Jennifer C. Lee	0	Filipino	N.A.

Total ownership of all directors and officers as a group as of **18 September 2024** is 0.1% of the total issued and outstanding common shares of stock.

No person holds more than 5% of the common stock under a voting trust or similar agreement.

Except as otherwise disclosed herein, there are no arrangements which may result in a change in control of FOSI. There has been no change in control of FOSI since the beginning of the last fiscal year. On 16 September 2024, FOSI received information on the approval of the respective Board of Directors of FHC and Filinvest Land, Inc. (“FLI”) of the intended sale by FHC and acquisition of FLI, respectively, of Three Thousand Nine Hundred Ninety-Eight (3,998) common shares with a par value of One Hundred Pesos (Php100.00) in the Company.

**Item 5. Directors and Executive Officers**

The members of the Board serve for a term of one (1) year and until their successors shall have been duly elected and qualified. The business experience of the directors and officers of FOSI named below covers at least the past five (5) years.

The record of attendance of the directors at the meetings of the Board of Directors held in 2023 is as follows:

Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Percent Present
Francis Nathaniel C. Gotianun	3	2	67%
Francis V. Ceballos	3	3	100%
Ana Venus A. Mejia	3	3	100%
Nicasio C. Cabaneiro (Independent Director)	3	3	100%
William Michael V. Valtos, Jr. (Independent Director)	3	3	100%

The following are the current directors and corporate officers of FOSI:

<p><b>Francis Nathaniel C. Gotianun</b>  <i>Chairman of the Board</i></p>	<p>Mr. Gotianun, Filipino, 41, 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 01 March 2019. He serves as Director and First Vice President, Hotels and Resorts Head of Filinvest Development Corporation (“FDC”), a publicly-listed company. He also serves as Director and Senior Vice President of Filinvest Hospitality Corporation, Director of Filinvest Mimosa, Inc., and Director, President and Chief Executive Officer (“CEO”) of The Palms Country Club, Inc. He also</p>
---	--

	<p>serves as a Director of Filinvest Land, Inc. (“FLI”), a publicly-listed company. 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.</p>
<p><b>Francis V. Ceballos</b>  <i>Director, President and CEO</i></p>	<p>Mr. Ceballos, 58, 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, Warehousing 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.</p>
<p><b>Ana Venus A. Mejia</b>  <i>Director</i></p>	<p>Ms. Mejia, 58, Filipino, was elected as the Company’s Director on 11 November 2022. She is currently the Executive Vice-President, Treasurer and Chief Finance Officer (“CFO”) of FLI. She is likewise the CFO of other Filinvest entities. 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.</p>
<p><b>William Michael V. Valtos, Jr.</b>  <i>Independent Director</i></p>	<p>Mr. Valtos, 63, 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., Transweath Fleet Management Corp./Transweath 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.</p>

<p><b>Nicasio C. Cabaneiro</b>  <i>Independent Director</i></p>	<p>Atty. Cabaneiro, 77, 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 University 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).</p>
<p><b>Nancy R. Rivera</b>  <i>Treasurer and CFO</i></p>	<p>Ms. Rivera, 61, 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 Corporation, as well as Financial Controller of various subsidiaries of FDC. 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.</p>
<p><b>Maria Victoria M. Reyes-Beltran</b>  <i>Compliance Officer</i></p>	<p>Atty. Reyes-Beltran, 57, Filipino, was appointed as the Company's Compliance Officer on 9 November 2023. She is the General Counsel and Compliance Officer of FLI. She also serves as the Compliance Officer of FILRT. Prior to joining FLI, she served as the Director of the Office of Internal Legal Counsel of R.G. Manabat &amp; Co., a professional partnership firm affiliated with KPMG International. She also served as the First Vice President - General Counsel of the Corporate Legal Unit of JG Summit Holdings, Inc. and Universal Robina Corporation, its subsidiaries, and regional operations in Southeast Asia, as well as the Corporate Secretary of the printed media unit of the group. She is a member of the Integrated Bar of the Philippines (Makati Chapter). She obtained her Bachelor of Arts degree, Major in Philosophy from the University of the Philippines and her Bachelor of Laws degree from San Beda College of Law. She completed her Master of Laws in International Commercial Law at the Ateneo School of Law and a Course on Structuring International Joint Venture at the University of California, Davis Campus.</p>
<p><b>Katrina O. Clemente-Lua</b>  <i>Corporate Secretary</i></p>	<p>Atty. Clemente-Lua, 40, Filipino, was appointed as the Company's Corporate Secretary on 21 December 2022.</p>

	<p>She was previously appointed as FOSI's Assistant Corporate Secretary on 23 March 2022. She is also the current Corporate Secretary of FLI and Filinvest REIT Corp. ("FILRT"). 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 &amp; 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.</p>
<p><b>Jennifer C. Lee</b>  <i>Assistant Corporate Secretary</i></p>	<p>Atty. Lee, 39, Filipino, was appointed as the Company's Assistant Corporate Secretary on 21 December 2022. She is also the Assistant Corporate Secretary of FLI and FILRT. 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 Migallos &amp; Luna Offices. She obtained her Juris Doctor Degree from the University of the Philippines – Diliman and her Bachelor of Science in Commerce, Major in Legal Management from De La Salle University – Manila.</p>

A Certification that none of the above-named directors and officers works in the government is attached herein as **Annex "A"**.

There is no director who has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

In order to measure the performance of the Board of Directors, on an annual basis, the Board and all Board Committees of the Company shall accomplish the Self-Assessment Sheet. The results shall be consolidated and presented by the Compliance Officer to the Board or through the Corporate Governance Committee.

The members of the board committees, pursuant to appointments made during the organizational meeting of the Board of Directors of the Company held on 09 November 2023, are as follows:

<p>Executive Committee</p>	<p>Chairman: Francis Nathaniel C. Gotianun  Members:  Francis V. Ceballos  Ana Venus A. Mejia</p>
<p>Audit &amp; Risk Management Oversight Committee</p>	<p>Chairman: Nicasio C. Cabaneiro (Independent Director)  Members:  Ana Venus A. Mejia (Non-executive Director)</p>

	William Michael V. Valtos, Jr. (Independent Director)
Corporate Governance Committee	Chairman: William Michael V. Valtos, Jr. (Independent Director) Members: Francis Nathaniel C. Gotianun Francis V. Ceballos Nicasio C. Cabaneiro (Independent Director)
Related-Party Transaction Committee	Chairman: William Michael V. Valtos, Jr. (Independent Director) Members: Ana Venus A. Mejia (Non-executive Director) Nicasio C. Cabaneiro (Independent Director)

## Nomination and Selection of Directors

The directors of FOSI are elected at the annual stockholders' meeting to hold office for one (1) year and until their respective successors have been duly appointed or elected and qualified. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until their successors shall have been duly elected or appointed and qualified.

There will be an election of the members of the Board during the annual stockholders' meeting. The stockholders of the Company may nominate individuals to be members of the Board of Directors, including the Independent Directors. The deadline for submission of nominees is on 23 September 2024.

All nominations for directors, including the independent directors, shall be addressed to and received by:

**THE NOMINATIONS COMMITTEE**  
c/o THE CORPORATE SECRETARY  
FORA SERVICES, INC.  
Filinvest Building, 79 EDSA, Highway Hills  
Mandaluyong City 1550, Metro Manila

and signed by the nominating stockholder/s together with the acceptance and conformity by the nominees. All nominations should include (i) the *curriculum vitae* of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications.

The Corporate Governance Committee, acting as the Nominations Committee, created under the Company's Manual on Corporate Governance (the "Manual") endorses the nominees of FOSI to the Board of Directors for reelection/election at the upcoming annual stockholders' meeting, in accordance with the qualifications and disqualifications set forth in the Company's Manual, as follows:

### *Qualifications*

1. Holder of at least one (1) share of stock of the Company;
2. At least a college graduate or have sufficient experience in managing the business to substitute for such formal education;

3. At least twenty-one (21) years old;
4. Proven to possess integrity and probity; and
5. Assiduous.

### *Permanent Disqualifications*

The following shall be permanently disqualified for election as director:

1. Any person convicted by final judgment or order by a court or competent administrative body of an offense pun involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
2. Any person finally found by the Securities and Exchange Commission (“SEC” or “Commission”) or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or the Bangko Sentral ng Pilipinas (“BSP”), or any rule, regulation or order of the Commission or the BSP;
3. Any person judicially declared to be insolvent;
4. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;
5. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment;
6. Any person finally convicted judicially or order by an administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person’s conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker, or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
7. Any person, who, by reason of misconduct, is permanently enjoined by final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker, (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub- paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
8. The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking, or such person is currently the subject of an effective order of a self- regulatory organization suspending or expelling him from membership participation or association with a member or participant of the organization;
9. All other grounds for disqualification under the Articles of Incorporation and By-Laws of the Corporation; and

10. Other grounds as the SEC may provide.

### *Temporary Disqualifications*

The following shall be grounds for the temporary disqualification of a director:

1. Refusal to fully disclose the extent of his business interests as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
2. Absence or non-participation for whatever reason/s in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12)-month period during said incumbency. This disqualification applies for purposes of the succeeding election;
3. Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
4. Being under preventive suspension by the Company;
5. If the independent director becomes an officer or employee of the Company, he shall be automatically disqualified from being an independent director; and
6. Conviction that has not yet become final referred to in the grounds for the disqualification of directors; and
7. If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with.

Before the annual meeting, a stockholder of the Company may nominate individuals to be independent directors, taking into account the following guidelines set forth in the Company's Manual on Corporate Governance:

*"Independent director"* means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

1. Is not, or has not been a senior officer of the Company unless there has been a change in the controlling ownership of the Company;
2. Is not, and has not been in the two (2) years immediately preceding the election, a director of the Company; a director, officer, employee of the Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the Company's substantial shareholders and its related companies (except when the same shall be an independent director of any of the foregoing);
3. Has not been appointed in the Company, its subsidiaries, associates, affiliates or related companies as Chairperson "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within two (2) years immediately preceding his election;

4. Is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates or related companies;
5. Is not a relative of any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
6. Is not acting as a nominee or representative of a substantial shareholder of the Company, any of its related companies;
7. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
8. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of FOSI, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the last two (2) years immediately preceding the date of his election;
9. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with FOSI or any of its related companies or substantial shareholders, other than such transactions that are conducted at arms-length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;
10. Is not affiliated with any non-profit organization that received significant funding from the Company or any of its related companies or substantial shareholders; and
11. Is not employed as an executive officer of another Corporation where any of the Company's executives serve as directors.

When used in relation to FOSI subject to the requirements above:

"*Related company*" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and

"*Substantial shareholder*" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

An Independent Director of the Company shall have the following qualifications:

1. He shall have at least one (1) share of stock of the Company;
2. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of the Company for at least five (5) years;
3. He shall possess integrity/probity; and
4. He shall be assiduous.

A person shall likewise be disqualified during his tenure as an Independent Director under the following instances or causes:

1. He becomes an officer or employee of the Company, or becomes any of the persons enumerated under item (A) hereof;



2. His beneficial security ownership exceeds 2% of the outstanding capital stock of FOSI;
3. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member; or
4. If he becomes disqualified under any of the grounds stated in FOSI's Manual on Corporate Governance.

Pursuant to SEC Memorandum Circular No. 9, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:

1. There shall be no limit in the number of covered companies that a person may be elected as Independent Director, except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e., parent company, subsidiary or affiliate;
2. The independent director shall serve for a maximum cumulative term of nine (9) years;
3. After the maximum cumulative term, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director;
4. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting; and
5. The reckoning of the cumulative nine-year term is from 2012.

The Corporate Governance Committee, convening as the Nominations Committee, will receive nominations for independent directors as may be submitted by the stockholders. Only nominees whose names appear in the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with FOSI's By-Laws and Manual on Corporate Governance.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled-up by unqualified nominees. In case of failure of election for independent directors, the Chairperson of the meeting shall call a separate election during the same meeting to fill up the vacancy.

### **Other Significant Employees**

FOSI considers all its employees significant to the growth of the Company.

### **Family Relationships**

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

### **Involvement in Certain Legal Proceedings**

As of the date of this Information Statement, the Company 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 best of the Company's knowledge, no material litigation is currently threatened against FOSI, and FOSI 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 Company'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.

To the best of the Company's knowledge, none of the directors of the Company have, in the five (5)-year period prior to the date of this Information, been, have been subject to the following:

1. 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 (2) years prior to that time;
2. 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;
3. 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
4. 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.

### **Item 6. Compensation of Directors and Executive Officers**

The following table identifies and summarizes the aggregate compensation of the Company's directors and executives for 2022, 2023 and projected for 2024:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (₱)</b>	<b>Bonus (₱)</b>	<b>Other Annual Compensation (₱)</b>	<b>Total (₱)</b>
President and top two (2) highest compensated officers					
Francis Nathaniel C. Gotianun (Chairman of the Board) Francis V. Ceballos (President/CEO) Nancy R. Rivera (Treasurer/CFO)	2024 Estimated	-	-	-	-
Francis Nathaniel C. Gotianun (Chairman of the Board) Francis V. Ceballos (President/CEO) Nancy R. Rivera (Treasurer/CFO)	2023	-	-	-	
Lourdes Josephine Gotianun Yap (Chairperson of the Board/President)	2022	-	-	-	-

Francis Nathaniel C. Gotianun (SVP – Hotels & Resorts) Michael Edward T. Gotianun (Treasurer)					
All officers and directors as a group unnamed	2024 Estimated	-	-	-	-
	2023	-	-	-	-
	2022	-	-	-	-

The officers of the Company do not receive compensation from the Company and as such, the officers are paid by the other entities within the Filinvest Group.

Except for a per diem of Php50,000.00 being paid to each of the Independent Directors for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the Directors of the Company in their capacity as such.

There are no actions to be taken at the annual meeting of the stockholders on 25 October 2024 with respect to any bonus, profit sharing or other compensation plan, contract or arrangement, and pension or retirement plan, in which any director, nominee for election as a director, or executive officer of the Company will participate. Neither are there any proposed grants or extensions to any such persons of any option, warrant or right to purchase any securities of the Company which are subject to the approval by the stockholders at the annual stockholders' meeting.

There are no Employment Contracts between the Company and the named Executive Officers. There are no compensatory plan or arrangement with respect to a named executive officer. There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group. There are no stock warrants or options previously awarded to any of the officers and directors.

**Board Evaluation and Assessment**

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

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

The criteria for Board self-assessment are:

1. Collective Board Rating
  - a. Board Composition
  - b. Board Meetings and Participation
2. Individual Self-Assessment
  - a. Individual Performance
  - b. Attendance of Board and Committee Meetings
3. Board Committees Rating

- a. Executive Committee
  - b. Corporate Governance Committee
  - c. Audit & Risk Management Oversight Committee
  - d. Related-Party Transaction Committee
4. Comments and Suggestions

### **Certain Relationships and Related Transactions**

In the normal course of business, the Company and the other members of the Filinvest Group of Companies (the "Group") enter into certain 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 decisions or the parties are subject to common control or common significant influence (referred to as "Affiliates"). Related parties may be individuals or corporate entities.

The transactions with related parties for the year ended 31 December 2023 are discussed under Note 12 of the Company's 2023 Audited Financial Statements, herein attached as **Annex "B"**.

### **Item 7. Independent Public Accountants**

The auditing firm of SyCip Gorres Velayo & Co. ("SGV") is the current independent auditor of the Company. The Company has not had any disagreements with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FOSI, in compliance with SRC Rule 68(3)(b)(iv) relative to the seven-year rotation requirement of its external auditors, has designated Ms. Wanessa G. Salvador as its engagement partner starting CY 2019. Thus, Ms. Salvador is qualified to act as such until the year 2025.

### **Information on Independent Accountant**

#### **(a) Audit and Audit-Related Fees**

In consideration for the following professional services rendered by SGV as the independent auditor of FOSI:

1. the audit of FOSI's annual financial statements and such services normally provided by an external auditor in connection with statutory and regulatory filings or engagements for those fiscal years; and
2. other assurance and related services by SGV that are reasonably related to the performance of the audit or review of FOSI's financial statements,

SGV billed FOSI for audit fees totaling Php250,000.00 and Php200,000.00 for the years 2023 and 2022, respectively.

#### **(b) Tax Fees**

For each of the last two (2) fiscal years, SGV did not render services for tax accounting, compliance, advice, planning, and any other form of tax services for which it billed FOSI the corresponding professional fees.

**(c) All Other Fees**

There are no other fees billed in each of the last two (2) years for products and services provided by the external auditor, other than the services reported under items mentioned above.

**(d) Approval of Policies and Procedures of the Management and/or Audit & Risk Management Oversight Committee for Independent Accountant's Services**

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit & Risk Management Oversight Committee, with inputs from the management of FOSI, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards. Thereafter, the Audit & Risk Management Oversight Committee makes the appropriate recommendation to the Board of Directors of the Company.

**Item 8. Compensation Plans**

No action will be taken at the annual meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or Issuance of Securities other than for Exchange**

No action will be taken at the annual meeting with respect to authorization or issuance of securities.

**Item 10. Modification or Exchange of Securities**

No action will be taken at the annual meeting that will result in any modification or exchange of securities.

**Item 11. Financial and Other Information**

**(a) Information Required**

**(1) Financial Statements**

The Company's Audited Financial Statements for the year ended 31 December 2023 is attached herewith as **Annex "B"**.

The Interim/Unaudited Financial Statements of the Company for the period ended 30 June 2024 is attached herewith as **Annex "C"**.

**(2) Management's Discussion and Analysis, or Plan of Operations**

The Management's Discussion and Analysis, or Plan of Operations is attached herewith as Annex "D".

**Item 12. No Action to be Taken on Mergers, Consolidations, Acquisitions and Similar Matters**

No action will be taken at the annual stockholders' meeting with respect to any merger or consolidation involving FOSI, the acquisition by FOSI of another entity, going business or of all of the assets thereof, the sale or other transfer of all or any substantial part of the assets of FOSI, or the liquidation or dissolution of FOSI.

**Item 13. No Action to be Taken on Acquisition or Disposition of Property**

No action will be taken at the annual meeting with respect to any acquisition or disposition of property by FOSI requiring the approval of the stockholders.

**Item 14. No Action to be Taken on Restatement of Accounts**

No action will be taken at the annual meeting with respect to any restatement of any asset, capital or surplus account of FOSI.

**Information on the General Nature and Scope of the Business of FOSI**

**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 24 August 2018. It has an authorized capital stock of One Million Six Hundred Thousand Pesos (Php1,600,000.00), divided into Sixteen Thousand (16,000) common shares with a par value of One Hundred Pesos (Php100.00) per share. As of the date of this Information Statement, Four Thousand (4,000) common shares of the Company are issued and outstanding.

The Company was incorporated as "Fora Services, Inc." and on 13 September 2019, the SEC 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 20 August 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.

## **D. OTHER MATTERS**

### **Item 15. Action With Respect To Reports**

1. Approval of the minutes of the annual meeting of stockholders held on 09 November 2023;

Rationale: To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.

A copy of the minutes is also attached as **Annex “E”** of the Information Statement.

2. Presentation of the Management’s Report

Rationale: To present to the stockholders the Company’s operating performance, financial condition and outlook.

The President and CEO, Mr. Francis V. Ceballos, will report on the Company’s 2023 performance and the outlook for 2024.

3. Ratification of the Audited Financial Statements for the year ended 31 December 2023

Rationale: To apprise the stockholders of the financial results of the Company’s operations in 2023.

The audited financial statements refer to the financial operations, balance sheet and income statement of FOSI as of and for the year ended 31 December 2023. The Company's Audited Financial Statements for the year ended 31 December 2023 is attached herewith as **Annex "B"** and is available on the Company website as an attachment to the Company's 2023 Annual Report (SEC Form 17-A).

#### **Item 16. Matters Not Required To Be Submitted**

Only matters which require stockholders' approval will be taken up during the annual meeting. No action will be taken with respect to any matter which is not required to be submitted to a vote of security holders.

#### **Item 17. Amendment of Charter, By-laws or Other Documents**

There is no action to be taken at the annual stockholders' meeting with respect to any amendment of the Company's Articles of Incorporation or By-Laws.

#### **Item 18. Other Proposed Action**

1. General ratification of the acts of the Board of Directors, Board Committees (including the Executive Committee) and the management from the date of the last annual meeting up to the date of the upcoming meeting

Rationale: To ratify the actions and resolutions of the Board of Directors, Board Committees and management in the regular course of business.

The resolutions approved by the Board of Directors and Board Committees include the following, among others -

- (a) Appointment of the members of the board committees
- (b) Appointment of officers
- (c) Appointment and/or updating of bank signatories
- (d) Appointment of authorized representatives and signatories for various corporate transactions
- (e) Appointment of authorized representatives and signatories for applications for government registration, clearance, permits and licenses
- (f) Authority to register and/or renew the registration of its Data Protection Officer and its Data Processing Systems
- (g) Authority to participate in the procurement process conducted by the certain government offices;
- (h) Approval of Corporation's 2023 Audited Financial Statements
- (i) Approval of Board Committee Charters and Code of Conduct
- (j) Approval of interim Financial Statements
- (k) Approval on the payment of Distributable Participation Income
- (l) Approval of the schedule of Board and Board Committee meetings for 2024
- (m) Approval of the date of annual stockholders' meeting, record date, the agenda of the meeting, the guidelines for the conduct of annual stockholders' meeting



2. Election of the members of the Board of Directors, including two (2) Independent Directors to serve for the year 2024-2025; and

Rationale: To allow stockholders to elect the Company's Board of Directors for the ensuing year.

In accordance with the Company's Manual on Corporate Governance and By-Laws, the stockholders must elect the members of the Board of Directors of the Company comprised of five (5) directors, including two (2) independent directors, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified. There will be an election of the members of the Board during the annual stockholders' meeting to serve for the year 2024 to 2025.

The Corporate Governance Committee, to be convened as the Nominations Committee, will evaluate the nominees for the Board, including two (2) nominees for independent directors, to determine if the nominees have all the qualifications and none of the disqualifications to serve in the Board of Directors.

3. Appointment of External Auditor.

Rationale: To appoint an auditing firm to provide assurance on the integrity, objectivity and independence in the preparation of the Company's financial statements.

### **Item 19. Voting Procedures**

- (a) *Vote required for approval.*

The approval of the minutes of the annual stockholders' meeting held on 09 November 2023, the ratification of the audited financial statements for the year ended 2023, the ratification of the acts, the appointment of external auditor for 2024, shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

The voting procedure shall be as follows:

1. Stockholders of record as of 30 August 2024 may cast their votes through the submission of proxies to the Office of the Corporate Secretary.
2. The deadline for submission of proxies is on 14 October 2024;
3. After the voting period, the Office of the Corporate Secretary will tabulate all the votes cast via proxy;
4. The results of the voting will be reported after each agenda item is taken up during the ASM;
5. The stockholders will be given up to 14 October 2024 to submit any questions or comments they may have.

In the election of the members of the Board of Directors, the candidates garnering the five (5) highest number of votes shall be declared elected as directors of the Company to serve as such for the year 2024-2025.

- (b) *Method by which votes will be counted.*

A stockholder may vote by submitting their proxy to the Corporate Secretary. The proxies submitted shall then be counted by the Corporate Secretary. The results of the voting shall be announced during the meeting.

#### **Item 20. Participation of Stockholders by Remote Communication**

The Company will dispense with physical attendance of stockholders at the meeting and will conduct the meeting online. The Company will disseminate the details of the annual stockholders' meeting to the stockholders via e-mail and its Company's website on or before 04 October 2024.

#### **Item 21. Market for Issuer's Common Equity and Related Stockholder Matters**

##### **Market Price of the Company's Common Equity**

The Company's common equity is not traded in any exchange.

##### **Recent Sale of Unregistered Securities**

No securities were sold within the past three years which were not registered under the Revised Securities Act and/or the Securities Regulation Code ("Code").

##### **Declaration of Dividends**

The Company has not declared any type of dividend in the last three (3) fiscal years.

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:

- (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.

##### **Compliance with Leading Practices on Corporate Governance**

FOSI is in compliance with its Manual for Corporate Governance as demonstrated by the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the Board Committees, namely the Executive Committee, the Audit & Risk Management Oversight Committee, the Corporate Governance Committee, and the Related-Party Transaction Committee; (c) the timely submission to the SEC of reports and disclosures required under the Securities Regulation Code; (d) FOSI's adherence to national and local laws pertaining to its operations; and (e) the observance of applicable accounting standards by FOSI.

In order to keep itself abreast with the leading practices on corporate governance, FOSI requires the members of the Board and top level management to attend and participate in seminars on corporate governance conducted by SEC-accredited institutions.

FOSI welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors, to improve its corporate governance.

There is no deviation from the Company's Manual on Corporate Governance.

### **Report on the Sale of Condotel Participation Agreements and/or Certificates of Participation**

Here below is the Report on the sale of Condotel Participation Agreements and/or Certificates of Participation ("CP"), as of 31 August 2024, viz:

<b>Class</b>	<b>No. of CPs per Class</b>	<b>No. Of Sold CPs</b>	<b>No. of Unsold CPs</b>
Studio 23	63	60	3
Studio 27	61	58	3
Studio 29	18	18	0
Suite 44	18	18	0
Suite 54	4	4	0
Total	164	158	6

**UNDERTAKING: FOSI will provide without charge printed copies of its Financial Statements to its stockholders upon receipt of a written request addressed to Atty. Katrina O. Clemente-Lua, Corporate Secretary, at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila. The Financial Statements is available on the company website at <https://questtagaytay.com/>.**

**PART II**  
**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct.

This report is signed in the City of Mandaluyong on the 18<sup>th</sup> day of September 2024.

**FORA SERVICES, INC.**

By:



**KATRINA O. CLEMENTE-LUA**  
*Corporate Secretary*

**FORA SERVICES, INC.**  
**doing business as**  
**Quest Hotel Tagaytay**

**SECRETARY'S CERTIFICATE**

I, **KATRINA O. CLEMENTE-LUA**, Filipino, of legal age, and with office address at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City, Metro Manila, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **FORA SERVICES, INC. doing business as Quest Hotel Tagaytay** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at Fora Rotunda Tagaytay, General Emilio Aguinaldo Highway, Silang Junction, Barangay Silang Crossing East, Tagaytay, 4120 Cavite.

2. Based on the records of the Corporation, none of its incumbent directors and officers named in the Corporation's Information Statement (SEC Form 20-IS) are connected with and/or working in the government.

3. This Certification is being issued as an annex to the Information Statement (SEC Form 20-IS) of the Corporation in connection with its Annual Stockholders' Meeting for the year 2024.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 18<sup>th</sup> day of September 2024 in Mandaluyong City, Metro Manila.



**KATRINA O. CLEMENTE-LUA**  
Corporate Secretary

**SUBSCRIBED AND SWORN TO** before me this 18<sup>th</sup> day of September 2024 in Mandaluyong City, Metro Manila, affiant exhibiting to me her Philippine Passport No. \_\_\_\_\_, bearing her photograph and signature, issued by Department of Foreign Affairs - NCR - South, and valid until \_\_\_\_\_

Doc. No. 171 ;  
Page No. 76 ;  
Book No. 72 ;  
Series of 2024.

File No. I.91.3  
FOSI\_Certification\_2024 IS/Ryan/DAL

**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. 5420812; 1-3-24; MANDALUYONG  
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025  
UG03 CITYLAND SHAW TOWER,  
SHAW BLVD. MANDALUYONG CITY

# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

C	S	2	0	1	8	1	8	3	3	9
---	---	---	---	---	---	---	---	---	---	---

**COMPANY NAME**

F	O	R	A	S	E	R	V	I	C	E	S	,	I	N	C	.	D	O	I	N	G	B	U	S	I
N	E	S	S	A	S	Q	U	E	S	T	H	O	T	E	L	T	A	G	A	Y	T	A	Y		

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

F	O	R	A	R	O	T	U	N	D	A	T	A	G	A	Y	T	A	Y	,	G	E	N	E	R	A	L
E	M	I	L	I	O	A	G	U	I	N	A	L	D	O	H	I	G	H	W	A	Y	,	S	I	L	
A	N	G	J	U	N	C	T	I	O	N	,	B	A	R	A	N	G	A	Y	S	I	L	A	N	G	
C	R	O	S	S	I	N	G	E	A	S	T	,	T	A	G	A	Y	T	A	Y	,	4	1	2	0	
C	A	V	I	T	E																					

Form Type  
**A A F S**

Department requiring the report  
**C R M D**

Secondary License Type, If Applicable  
**N / A**

**COMPANY INFORMATION**

Company's Email Address  
**tagaytayhm@questhotelsandresorts.com**

Company's Telephone Number  
**+6346-4198799**

Mobile Number  
**0998-5849951**

No. of Stockholders  
**6**

Annual Meeting (Month / Day)  
**Last Friday of October**

Fiscal Year (Month / Day)  
**12/31**

**CONTACT PERSON INFORMATION**The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person  
**Nancy R. Rivera**

Email Address  
**nancy.rivera@filinvesthospitality.com**

Telephone Number/s  
**+6346-8460278**

Mobile Number  
**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.



## **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, 2023 and 2022, 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, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company as at December 31, 2023 and 2022 and for the three years in the period ended December 31, 2023 are prepared in all material respects, 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### ***Rooms Revenue Recognition***

For the year ended December 31, 2023, the Company's rooms revenue amounted to ₱97.75 million. We considered this as a key audit matter because rooms revenue accounts for 98% of total revenue and the revenue recognition depends on the timing when the related services are rendered or as the hotel amenities are used.

The disclosures on revenue is included in Note 13 to the financial statements.

### ***Audit Response***

We obtained an understanding and evaluated the design of relevant controls of the Company's rooms revenue recognition process. We performed substantive analytical review procedures and test of details. On a sampling basis, we agreed the revenue recognized against supporting documents such as guest ledger, invoices and deposit slips, and performed cutoff procedures. We also reviewed the disclosures on revenue in the Company's financial statements.

### **Other Information**

Management is responsible for Other Information. Other Information comprises the information included in SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 but does not include the financial statements and our auditor's report thereon. SEC Form 20 IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover Other Information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

### **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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 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.

The engagement partner on the audit resulting in this independent auditor's report is  
Wanessa G. Salvador.

SYCIP GORRES VELAYO & CO.



Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10082009, January 6, 2024, Makati City

April 29, 2024



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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4 and 12)	<b>₱84,873,235</b>	₱93,150,373
Receivables (Note 5)	<b>12,216,060</b>	11,536,941
Due from related parties (Note 12)	<b>12,902,694</b>	4,083,206
Inventories (Note 6)	<b>1,996,179</b>	1,673,358
Other currents assets (Note 7)	<b>2,505,038</b>	1,524,101
Total Current Assets	<b>114,493,206</b>	111,967,979
<b>Noncurrent Assets</b>		
Property and equipment (Note 8)	<b>1,098,191</b>	577,306
Software cost (Note 9)	<b>856,587</b>	383,529
Total Noncurrent Assets	<b>1,954,778</b>	960,835
	<b>₱116,447,984</b>	₱112,928,814
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables (Notes 10 and 11)	<b>₱35,914,770</b>	₱68,078,227
Contract liabilities (Note 13)	<b>1,233,649</b>	3,200,181
Due to related parties (Note 12)	<b>18,083,250</b>	27,410,861
Income tax payable	<b>1,313,126</b>	–
Total Current Liabilities	<b>56,544,795</b>	98,689,269
<b>Noncurrent Liability</b>		
Participation liabilities (Notes 11 and 12)	<b>37,756,700</b>	–
Total Liabilities	<b>94,301,495</b>	98,689,269
<b>Equity</b>		
Capital stock (Note 16)	<b>400,000</b>	400,000
Retained earnings	<b>21,746,489</b>	13,839,545
Total Equity	<b>22,146,489</b>	14,239,545
	<b>₱116,447,984</b>	₱112,928,814

*See accompanying Notes to Financial Statements.*



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>		
	<b>2023</b>	2022	2021
<b>REVENUE</b>			
Revenue from services			
Rooms	<b>₱97,752,161</b>	₱80,368,185	₱34,558,988
Other operating departments	<b>2,005,361</b>	767,124	34,052
Miscellaneous	<b>373,161</b>	737,716	125,802
	<b>100,130,683</b>	81,873,025	34,718,842
<b>COST OF SERVICES</b> (Note 14)	<b>49,185,836</b>	44,026,324	12,612,415
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 15)	<b>38,518,102</b>	33,015,365	19,949,628
<b>OTHER INCOME (EXPENSE)</b>			
Interest expense (Notes 11 and 12)	<b>(4,555,961)</b>	–	(43,449)
Interest income (Note 4)	<b>2,531,186</b>	823,206	35,191
Income from insurance claims (Note 13)	–	9,467,928	–
Other income (Note 13)	–	–	1,197,514
	<b>(2,024,775)</b>	10,291,134	1,189,256
<b>INCOME BEFORE INCOME TAX</b>	<b>10,401,970</b>	15,122,470	3,346,055
<b>PROVISION FOR INCOME TAX</b> (Note 17)	<b>2,495,026</b>	3,740,634	834,806
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>	<b>₱7,906,944</b>	₱11,381,836	₱2,511,249

*See accompanying Notes to Financial Statements.*



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**STATEMENTS OF CHANGES IN EQUITY**

	Years Ended December 31		
	2023	2022	2021
<b>CAPITAL STOCK (Note 16)</b>			
Balances at beginning and end of year	<b>₱400,000</b>	₱400,000	₱400,000
<b>RETAINED EARNINGS (DEFICIT)</b>			
Balances at beginning of year	<b>13,839,545</b>	2,457,709	(53,540)
Net income	<b>7,906,944</b>	11,381,836	2,511,249
Balances at end of year	<b>21,746,489</b>	13,839,545	2,457,709
	<b>₱22,146,489</b>	₱14,239,545	₱2,857,709

*See accompanying Notes to Financial Statements.*



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**STATEMENTS OF CASH FLOWS**

	Years Ended December 31		
	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	<b>₱10,401,970</b>	₱15,122,470	₱3,346,055
Adjustments for:			
Depreciation and amortization (Notes 8, 9 and 15)	<b>680,556</b>	360,563	1,406,492
Interest expense (Notes 11 and 12)	<b>4,555,961</b>	–	43,449
Interest income (Note 4)	<b>(2,531,186)</b>	(823,206)	(35,191)
Income from insurance claims (Note 13)	–	(9,467,928)	–
Operating income before working capital changes	<b>13,107,301</b>	5,191,899	4,760,805
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	<b>(679,119)</b>	1,281,043	37,170,954
Due from related parties	<b>(8,819,488)</b>	(4,083,206)	342,737
Inventories	<b>(322,821)</b>	(509,296)	140,387
Other current assets	<b>(980,937)</b>	3,674,074	(1,545,644)
Increase (decrease) in:			
Account and other payables	<b>(36,719,418)</b>	26,748,073	7,131,651
Contract liabilities	<b>(1,966,532)</b>	2,473,674	13,849
Due to related parties	<b>(9,327,611)</b>	(7,840,411)	6,315,930
Net cash generated from (used in) operations	<b>(45,708,625)</b>	26,935,850	54,330,669
Insurance claims received	–	9,467,928	–
Interest received	<b>2,531,186</b>	823,206	35,191
Income taxes paid	<b>(1,181,900)</b>	(3,740,634)	(805,587)
Net cash provided by (used in) operating activities	<b>(44,359,339)</b>	33,486,350	53,560,273
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions to:			
Property and equipment (Note 8)	<b>(908,289)</b>	(712,703)	–
Software cost (Note 9)	<b>(766,210)</b>	(130,534)	(81,583)
Cash used in investing activities	<b>(1,674,499)</b>	(843,237)	(81,583)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Proceeds from issuance of Certificate of Participation (Note 11)	<b>37,756,700</b>	–	–
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(8,277,138)</b>	32,643,113	53,478,690
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>93,150,373</b>	60,507,260	7,028,570
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>₱84,873,235</b>	₱93,150,373	₱60,507,260

*See accompanying Notes to Financial Statements.*



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**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.

The Company also has secondary license to offer 164 Certificates of Participation to the public as approved by the SEC on May 17, 2023 (see Note 11).

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were approved and authorized for issue by the BOD on April 29, 2024

---

**2. Material Accounting Policy Information**

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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, 2022 and 2021 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).

New Standards, Interpretations and Amendments

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, 2023.



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

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*  
The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provided non-mandatory guidance. The Company adopted this amendment and, accordingly, made revision to Note 2 to the financial statements to only consider material accounting policy.

- Amendments to PAS 8, *Definition of Accounting Estimates*
- 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 12, *International Tax Reform – Pillar Two Model Rules*

#### Standards, Amendments and Interpretations Issued but not yet Effective

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, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

#### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

#### *Deferred effectivity*

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

#### Material Accounting Policies

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

#### Financial Instruments – initial recognition, subsequent measurement and impairment

As of December 31, 2023 and 2022, the financial assets of the Company are classified at initial recognition as subsequently measured at amortized cost. In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest test' and is performed at an instrument level.





As of December 31, 2023 and 2022, 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).

The Company recognizes an allowance for expected credit loss (ECL) for all financial assets at amortized costs. The Company applies the following approach in estimating its allowance for ECL (a) low credit risk simplification approach for cash and cash equivalents; and (b) general approach for receivables and due from related parties.

The Company considers a financial asset in default when contractual payments are thirty (30) days past their due dates.

*Financial liabilities – initial recognition and subsequent measurement*

As of December 31, 2023 and 2022, the Company's financial liabilities pertain to loans and borrowings. These financial liabilities are recognized initially at fair value, net of directly attributable transaction costs and subsequently measured at amortized cost using effective interest method.

As of December 31, 2023 and 2022, the Company's financial liabilities include accounts and other payables, due to related parties, participation liabilities and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as, income tax payable, and other statutory liabilities).

Property and Equipment

Property and equipment consist of machineries, tools and computer equipment. Property and equipment are stated 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.

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.

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 the 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 (5) years.

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 suppliers and employees.



### 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.

### 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.

#### *Revenues from rooms and other operating departments*

Revenues from rooms and other departments are recognized over the time the related services are rendered and/or facilities and amenities are used.

#### *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.

### 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. These are measured at the amount paid or payable and are recognized when incurred.

#### 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 use to compute the amount are those that are enacted or substantially enacted at the reporting date.

##### *Deferred tax*

Deferred tax is provided on all taxable 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 certain exceptions. Deferred tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

#### 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, 2023 and 2022 (see Note 18).

---

### **3. Management's Accounting Judgments and Use of Estimates**

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.

#### 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 has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions



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 customer's actual default in the future.

As of December 31, 2023 and 2022, the carrying value of receivables amounted to ₱12.22 million and ₱11.54 million, respectively. There is no provision for ECL recognized in 2023 and 2022 (see Note 5).

---

#### 4. Cash and Cash Equivalents

This account consists of

	2023	2022
Cash on hand	<b>₱1,104,453</b>	₱1,416,388
Cash in banks (Note 12)	<b>58,535,550</b>	26,204,446
Cash equivalents (Note 12)	<b>25,233,232</b>	65,529,539
	<b>₱84,873,235</b>	₱93,150,373

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 3.00% to 5.00% and 0.25% to 4.00% in 2023 and 2022, respectively.

Interest income earned from cash and cash equivalents amounted to ₱2.53 million, ₱0.82 million and ₱0.04 million in 2023, 2022 and 2021, respectively (see Note 12).

There are no restrictions on the Company's cash and cash equivalents as of December 31, 2023 and 2022.

---

#### 5. Receivables

This account consists of:

	2023	2022
Contract receivables:		
Corporate, travel agency and individuals	<b>₱9,871,433</b>	₱7,989,741
Credit cards	<b>1,265,759</b>	1,773,214
Guest ledger	<b>460,802</b>	1,121,267
Others	<b>618,066</b>	652,719
	<b>₱12,216,060</b>	₱11,536,941

Corporate, travel agency and individuals pertain to receivables classified by market segments and are due within 30 to 90 days from billing.

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, third party receivables related to utilities and other reimbursables subject to liquidation.

---

## 6. Inventories

This account consists of:

	2023	2022
Supplies	<b>₱1,655,476</b>	₱1,429,592
Fuel	<b>340,703</b>	243,766
	<b>₱1,996,179</b>	₱1,673,358

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 ₱2.68 million, ₱2.66 million and ₱0.81 million in 2023, 2022 and 2021, respectively (see Note 14).

---

## 7. Other Current Assets

This account consists of:

	2023	2022
Prepaid expenses	<b>₱1,630,318</b>	₱245,618
Advances to suppliers	<b>611,086</b>	554,124
Input value-added tax (VAT)	<b>254,434</b>	–
Security deposits	<b>9,200</b>	9,200
Creditable withholding taxes	–	449,520
Advances to employees	–	265,639
	<b>₱2,505,038</b>	₱1,524,101

Prepaid expenses pertain to the Company’s prepayments on insurance and subscriptions. These are recognized as expense over a period not exceeding 12 months.

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.

Input VAT are imposed on the Company by its suppliers and contractors for the acquisition of goods and services which can be applied against output VAT or can be claimed as tax credits.

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.



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.

## 8. Property and Equipment

The rollforward analysis of this account follows:

	2023		
	Machineries Tools and Equipment	Computer Equipment	Total
<b>Cost</b>			
At beginning of period	P456,007	P256,696	P712,703
Additions	217,388	690,901	908,289
At end of period	673,395	947,597	1,620,992
<b>Accumulated Depreciation</b>			
At beginning of period	102,101	33,296	135,397
Depreciation (Note 15)	81,775	305,629	387,404
At end of period	183,876	338,925	522,801
<b>Net Book Values</b>	<b>P489,519</b>	<b>P608,672</b>	<b>P1,098,191</b>

	2022		
	Machineries, Tools and Equipment	Computer Equipment	Total
<b>Cost</b>			
At beginning of period	P-	P-	P-
Additions	456,007	256,696	712,703
At end of period	456,007	256,696	712,703
<b>Accumulated Depreciation</b>			
At beginning of period	-	-	-
Depreciation (Note 15)	102,101	33,296	135,397
At end of period	102,101	33,296	135,397
<b>Net Book Values</b>	<b>P353,906</b>	<b>P223,400</b>	<b>P577,306</b>

The Company's property and equipment are not pledged or used as collateral to secure any obligation as of December 31, 2023 and 2022.

## 9. Software Costs

The rollforward analysis of this account follows:

	2023	2022
<b>Cost</b>		
Balances at beginning of year	P806,033	P675,499
Additions	766,210	130,534
Balances at end of year	1,572,243	806,033

(Forward)



	2023	2022
<b>Accumulated Amortization</b>		
Balances at beginning of year	₱422,504	₱197,338
Amortization (Note 15)	293,152	225,166
Balances at end of year	715,656	422,504
<b>Net Book Value</b>	<b>₱856,587</b>	<b>₱383,529</b>

## 10. Accounts and Other Payables

This account consists of:

	2023	2022
Trade payables	₱16,337,862	₱18,031,830
Accrued expenses	11,450,749	44,391,933
Accrued interest payables (Note 11)	3,644,769	—
Wages and employee-related payables	2,489,718	1,549,389
Taxes payable	1,991,672	4,105,075
	<b>₱35,914,770</b>	<b>₱68,078,227</b>

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.

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.

Accrued interest payables pertain to interest payable to certificate holders and FLI (see Notes 11 and 12).

Wages and employee-related payables include employees' share on the additional service fees charged to customers. These are normally settled within one month.

Taxes payable includes local taxes, deferred output VAT, expanded withholding taxes and taxes withheld on employee compensation and benefits.

## 11. Participation Liabilities

The Company entered into Condotel Participation Agreements (the Agreements) with unit buyers (the Participants) of the Fora Condotel Tower 1 (Condotel Project) with a term of 25 years. Pursuant to the provisions of the Agreement, the Participant shall pay the Company the Joining Fee, which shall be returned without interest at the end of the term of the Condotel Project, and the Company shall manage and operate the Participants' contributed units.

The Company may terminate the Agreements upon reasonable determination that the operation of the Condotel Project can no longer be sustained due to operating losses. In such event, the Company shall return the amount of the Joining Fee, pro rata, received from the participants.

The Unit Buyers' participation interest in the Condotel Project shall be evidenced by Certificates. Each of the Certificate of Participation corresponds to the 164 units in the Condotel Project. The SEC



through its SEC MSRD Order No. 25, Series of 2023 issued on May 17, 2023, approved the registration of said 164 Certificates of Participation. The SEC likewise issued the Certificate of Permit to Offer Securities for Sale for said 164 Certificates, on the same date.

Relative to the Agreement, the Certificate Holders shall be entitled to: (a) the payment of distributable participation interest on an annual basis, subject to the terms hereof and the Agreement; and, (b) maximum of 14 nights room use privilege in the Condotel Project per calendar year.

The distributable participation interest is based on total participation income, as adjusted with the impact of provisions, reserves and noncash transactions.

As of December 31, 2023, the Company issued Certificate of Participation for 164 units in the Condotel Project amounting to ₱37.76 million, presented under Participation liabilities in the statement of financial position. In 2023, total participation interest recognized amounted to ₱4.56 million.

## 12. 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, 2023, 2022 and 2021, 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:

		2023			
		Amount/ Volume	Outstanding balance	Terms	Conditions
<i>Cash and cash equivalents</i>					
<i>Affiliate</i>					
a.	Cash and cash equivalents (Note 4)	(₱9,158,064)	₱76,148,839	Interest-bearing at prevailing market rate	Unrestricted
	Interest income	2,528,164			
<i>Due to related parties</i>					
b.	Parent Company	(₱59,129)	(₱288,067)	Noninterest-bearing; due and demandable	Unsecured
c.	Filinvest Land, Inc. (FLI)	15,071,865	(2,373,545)	Noninterest-bearing; due and demandable	Unsecured
d.	Fora Restaurants, Inc. (FRI)	(1,248,911)	(6,314,499)	Noninterest-bearing; due and demandable	Unsecured
e.	Chroma Hospitality, Inc. (CHI)	647,881	(1,028,891)	Noninterest-bearing; due and demandable	Unsecured
f.	Entrata Hotel Services, Inc. (EHSI)	27,452	(92,812)	Noninterest-bearing; due and demandable	Unsecured
g.	Corporate Technologies, Inc. (CTI)	(1,133,253)	(4,007,142)	Noninterest-bearing; due and demandable	Unsecured
h.	Hospitality Enterprise Resources Corp. (HERC)	(3,978,294)	(3,978,294)	Noninterest-bearing; due and demandable	Unsecured
		(₱18,083,250)			





		2023			
		Amount/ Volume	Outstanding balance	Terms	Conditions
<b><i>Due from related parties</i></b>					
i.	FLI	11,940,700	11,940,700	Noninterest-bearing; due within 1 year	Unsecured
j.	FRI	(3,345,013)	₱716,930	Noninterest-bearing; due and demandable	Unsecured
j.	CHI	196,066	217,329	Noninterest-bearing; due and demandable	Unsecured
j.	EHSI	27,735	27,735	Noninterest-bearing; due and demandable	Unsecured
		<b>₱12,902,694</b>			
<b><i>Accrued expenses</i></b>					
c.	FLI (Rent)	₱9,264,410	₱-	Noninterest-bearing; due and demandable	Unsecured
k.	Interest expense	3,320,468	3,320,468	Due in May 2024	Unsecured
		<b>₱3,320,468</b>			
<b><i>Participation liabilities</i></b>					
k.	Joining fee	₱25,816,000	₱25,816,000	Noninterest-bearing; due in 2048	Unsecured
		<b>₱25,816,000</b>			
		2022			
		Amount/ Volume	Outstanding balance	Terms	Conditions
<b><i>Cash and cash equivalents</i></b>					
<b><i>Affiliate</i></b>					
a.	Cash and cash equivalents (Note 4)	₱31,949,406	₱85,306,903	Interest-bearing at prevailing market rate	Unrestricted
	Interest income	799,652	-	-	-
<b><i>Due to related parties</i></b>					
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
f.	Corporate Technologies, Inc. (CTI)	5,220,741	(2,873,889)	Noninterest-bearing; due and demandable	Unsecured
		<b>(₱27,410,861)</b>			
<b><i>Due from related parties</i></b>					
j.	FRI	₱4,061,943	₱4,061,943	Noninterest-bearing; due and demandable	Unsecured
j.	CHI	21,263	21,263	Noninterest-bearing; due and demandable	Unsecured
		<b>₱4,083,206</b>			
<b><i>Accrued expenses</i></b>					
c.	FLI (Rent)	₱9,226,418	(₱9,226,418)	Noninterest-bearing; 30-day term upon receipt of billing	Unsecured

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.

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, 2023 and 2022, balance due to parent amounted to ₱0.29 million and ₱0.23 million, respectively.

- c. 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. Effective May 17, 2023, the lease agreement between the Company and FLI was terminated. The termination came into effect as the participation agreement took precedence over the lease agreement. Under the participation agreement, new terms and conditions govern the relationship between the Company and FLI regarding the use of leased premises (see Note 11).

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 2023 and 2022, the Company incurred rent expense amounting to ₱9.26 million and ₱9.23 million (nil in 2021).

- d. FRI, an affiliate, charges its revenue from food and beverage to the Company as part of the guest's bill upon bill-out.
- e. In July 2018, the Company entered into a management service 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.
- f. EHSI, an affiliate, charges the Company for intercompany expenses.
- g. 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, included in the depreciation and amortization, amounted to ₱1.21 million (nil in 2023 and 2022; see Note 15). Interest expense related to lease liability recognized amounted to ₱0.04 million in 2021 (nil in 2023 and 2022).

- h. In 2023, the Company entered into an agreement wherein HERC is to provide services related to compensation and benefits and recruitment, accounting, revenue management and reservation, and supply chain.
- i. Due from FLI represents excess advances for fit-out paid by the Company. The excess shall be returned by FLI within one (1) year.
- j. The Company charges FHC, FRI, CHI and EHSI for intercompany expenses.



- k. Participation liabilities pertain to joining fee received from FLI which is equivalent to the offer price paid for a certificate and will be repaid upon end of the term of the Condotel Participation Agreement. Each certificate is entitled to participation interest distributed annually (see Note 11).

*Compensation of key management personnel*

Compensation of key management personnel of the Company consists of employee salaries and benefits amounting to ₱1.69 million, ₱1.23 million and ₱1.26 million in 2023, 2022 and 2021, respectively.

---

### 13. Revenue, Income and Contract Balances

Revenue from Contracts with Customers

The Company deals with guests who are required to pay hotel room charges which cover room services and use of other ancillary services.

Revenue from rooms and other operating department 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 hotel room rate is fixed and has no variable consideration. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Guest usually pays in advance either in full or partially to guarantee reservation. Guests are required to settle all outstanding bills before check-out. Corporate accounts and travel agencies are required to pay 30 to 90 days from billing date.

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 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:

	2023	2022
Balances at beginning of year	₱3,200,181	₱726,507
Additions	14,609,419	5,750,282
Recognized as revenue	(16,575,951)	(3,276,608)
Balances at end of year	₱1,233,649	₱3,200,181

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.



#### 14. Cost of Services

This account consists of:

	2023	2022	2021
Utilities	<b>₱13,304,810</b>	₱12,072,534	₱5,354,218
Rental (Note 12)	<b>9,264,410</b>	9,226,418	–
Salaries and wages	<b>7,752,964</b>	7,384,792	3,850,652
Commission	<b>4,467,265</b>	3,357,650	2,621
Laundry	<b>3,411,095</b>	2,388,157	661,793
E-commerce fee	<b>2,850,765</b>	1,460,820	671,941
Operating supplies (Note 6)	<b>2,683,880</b>	2,664,906	805,521
Condominium dues	<b>1,560,928</b>	–	–
Spa services	<b>1,447,685</b>	567,075	–
Linens	–	2,566,677	–
Others	<b>2,442,034</b>	2,337,295	1,265,669
	<b>49,185,836</b>	₱44,026,324	₱12,612,415

Others include payment for office supplies, cable, uniforms, printing, decorations and other miscellaneous expenses.

#### 15. General and Administrative Expenses

This account consists of:

	2023	2022	2021
Salaries, wages and benefits	<b>₱8,250,733</b>	₱6,450,504	₱4,729,010
Corporate office reimbursable	<b>5,208,110</b>	3,478,024	100,710
Management fees (Note 12)	<b>2,935,261</b>	2,307,833	883,561
E-commerce fee	<b>2,592,976</b>	1,794,354	812,678
System costs (Note 12)	<b>2,365,019</b>	1,696,475	2,182,815
Repairs and maintenance	<b>2,302,066</b>	2,921,120	1,359,448
Security services	<b>2,294,838</b>	2,184,558	1,296,383
Insurance premium	<b>2,143,507</b>	1,131,853	1,095,600
Contracted services	<b>2,109,384</b>	1,071,438	–
Credit card service fee	<b>1,651,135</b>	1,321,101	–
Telecommunication	<b>1,326,999</b>	1,420,925	1,141,615
Administrative fee (Note 12)	<b>1,026,409</b>	823,389	–
Depreciation and amortization (Notes 8 and 9)	<b>680,556</b>	360,563	1,406,492
Sales office expenses	<b>653,119</b>	630,145	545,256
Professional fees	<b>607,259</b>	252,925	204,000
Travel and transportation	<b>362,829</b>	1,819,484	1,763,683
Taxes and licenses	<b>251,060</b>	315,082	622,458
Office and cleaning supplies	<b>120,826</b>	132,208	61,479
Representation and entertainment	<b>35,117</b>	460,756	–
Others (Note 12)	<b>1,600,899</b>	2,442,628	1,744,440
	<b>₱38,518,102</b>	₱33,015,365	₱19,949,628



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.

## 16. Equity

As of December 31, 2023 and 2022, 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 2023 and 2022.

The Company considers its capital stock and participation liabilities amounting to ₱38.16 million and ₱0.40 million, as of December 31, 2023 and 2022, respectively, as its capital employed.

The Company is not subject to externally imposed capital requirements.

## 17. Income Taxes

The provision for income tax consists of:

	2023	2022	2021
Current	<b>₱2,073,162</b>	₱3,580,704	₱798,549
Final	<b>421,864</b>	159,930	7,038
Deferred	–	–	29,219
	<b>₱2,495,026</b>	₱3,740,634	₱834,806

The reconciliation of the income tax computed at statutory rate of 25% to provision for income tax follows:

	2023	2022	2021
Income tax at statutory income tax rate	<b>₱2,600,493</b>	₱3,780,617	₱836,514
Tax effects of:			
Interest income subjected to final tax	<b>(105,467)</b>	(39,983)	(1,760)
Movement in unrecognized deferred tax assets	–	–	(4,818)
Change in tax rate as a result of CREATE Act	–	–	4,870
	<b>₱2,495,026</b>	₱3,740,634	₱834,806



---

## 18. 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 6.77%, 5.75% and 42.04% of the Company's total revenue for the years ended December 31, 2023, 2022 and 2021, respectively.

---

## 19. 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, 2023 and 2022 due to the short-term nature of the transactions.

As of December 31, 2023, the Company's participation liabilities has a carrying value and fair value of ₱37.76 million and ₱8.68 million, respectively. The estimated fair value of participation liabilities is determined by discounting the sum of future cash flows using the prevailing market rates of 6.12%.

### 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:

	2023	2022
Cash and cash equivalents*	₱83,768,782	₱91,733,985
Receivables	12,216,060	11,536,941
Due from related parties	12,902,694	4,083,206
Security deposits	9,200	9,200
	<b>₱108,896,736</b>	<b>₱107,363,332</b>

\*Excludes cash on hand.

As of December 31, 2023 and 2022, 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:

	2023				Total
	On demand	Less than 3 months	3 to 12 months	More than 12 months	
<b>Financial assets</b>					
Cash and cash equivalents	₱59,640,003	₱25,233,232	₱-	₱-	₱84,873,235
Receivables	-	12,216,060	-	-	12,216,060
Due from related parties	12,902,694	-	-	-	12,902,694
	<b>₱72,542,697</b>	<b>₱37,449,292</b>	<b>₱-</b>	<b>₱-</b>	<b>₱109,991,989</b>
<b>Financial liabilities</b>					
Accounts and other payables*	₱-	₱27,788,611	₱3,644,769	₱-	₱31,433,380
Due to related parties	18,083,250	-	-	-	18,083,250
Participation liabilities	-	-	-	37,756,700	37,756,700
	<b>₱18,083,250</b>	<b>₱27,788,611</b>	<b>₱3,644,769</b>	<b>₱37,756,700</b>	<b>₱87,273,330</b>

\*Excludes statutory payables amounting to ₱4.48 million.

	2022				Total
	On demand	Less than 3 months	3 to 12 months	More than 12 months	
<b>Financial assets</b>					
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
	<b>₱31,704,040</b>	<b>₱77,066,480</b>	<b>₱-</b>	<b>₱-</b>	<b>₱108,770,520</b>
<b>Financial liabilities</b>					
Accounts and other payables*	₱-	₱62,423,763	₱-	₱-	₱62,423,763
Due to related parties	27,410,861	-	-	-	27,410,861
	<b>₱27,410,861</b>	<b>₱62,423,763</b>	<b>₱-</b>	<b>₱-</b>	<b>₱89,834,624</b>

\*Excludes statutory payables amounting to ₱5.65 million.



## **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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, on which we have rendered the attached report dated April 29, 2024.

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, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10082009, January 6, 2024, Makati City

April 29, 2024





**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

**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  


---

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR**  
**DIVIDEND DECLARATION**  
**DECEMBER 31, 2023**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>	₱13,839,545
<b>Add: Items that are directly credited to Unappropriated Retained Earnings</b>	
Reversal of retained earnings appropriation	—
Effect of restatements	—
Others	—
<b>Less: Items that are directly debited to Unappropriated Retained Earnings</b>	
Dividend declaration during the reporting period	—
Retained earnings appropriated during the reporting period	—
Effect of restatements	—
Others – deferred tax assets recognized	—
<b>Unappropriated Retained Earnings, as adjusted</b>	<b>13,839,545</b>
<b>Add/Less: Net income (loss) for the current year</b>	<b>7,906,944</b>
<b>Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>	
Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributable to cash and equivalents	—
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain of investment property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—
Sub-total	—
<b>Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	—
Realized fair value gain of Investment Property	—
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—
Sub-total	—

**Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Reversal of previously recorded fair value gain of Investment Property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	—	
Sub-total	—	—

---

<b>Adjusted Net Income/Loss</b>	<b>7,906,944</b>
---------------------------------	------------------

---

**Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)	—	
Sub-total	—	—

**Add/Less: Adjustments related to relief granted by the SEC and BSP**

Amortization of the effect of reporting relief	—	
Total amount of reporting relief granted during the year	—	
Others	—	
Sub-total	—	—

**Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution**

Net movement of treasury shares (except for reacquisition of redeemable shares)	—	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	—	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	—	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	—	
Others	—	
Sub-total	—	—

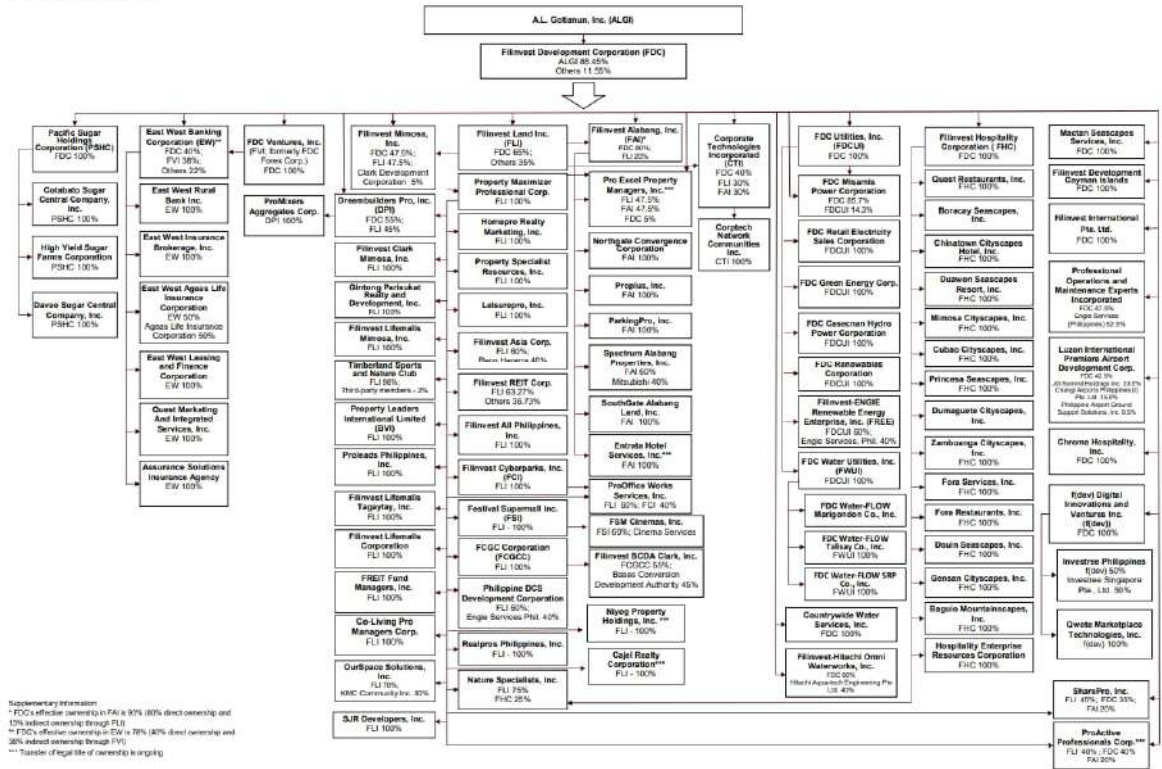
---

<b>Total Retained Earnings, end of reporting period available for dividend</b>	<b>₱21,746,489</b>
--	--------------------

---

**FORA 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, 2023**

A.L. GOTIANUN, INC.  
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES  
(As of December 31, 2023)



Supplementary Information  
 \* FDC's effective ownership in FAL is 97% (80% direct ownership and 17% indirect ownership through FI)  
 \*\* FDC's effective ownership in FV is 78% (40% direct ownership and 38% indirect ownership through FV)  
 \*\*\* Outside legal life of ownership in ongoing

## **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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 29, 2024. 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.



Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10082009, January 6, 2024, Makati City

April 29, 2024



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  


---

**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY**  
**REVISED SRC RULE 68 (ANNEX 68-J)**  
**DECEMBER 31, 2023**

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, 2023, 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, 2023, 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, 2023.

	Balance at beginning of period	Additions	Amounts collected	Balance at end of period
Filinvest Land, Inc. (FLI)	₱–	₱11,940,700	₱–	₱11,940,700
Fora Restaurants, Inc. (FRI)	4,061,943		3,345,013	716,930
Chroma Hospitality, Inc. (CHI)	21,263	196,066	–	217,329
Entrata Hotel Services, Inc. (EHSI)	–	27,735	–	27,735
	₱4,083,206	₱12,164,501	₱3,345,013	₱12,902,694

The receivables from related parties pertain to share in common expenses, intercompany charges and reimbursements, 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, 2023.

Schedule E. Indebtedness to Related Parties

As of December 31, 2023, due to a related party pertains to Participation liabilities.

Name of Related Party	Balance at beginning of the year	Movement	Balance at end of the year
Filinvest Land, Inc.	–	₱25,816,000	₱25,816,000

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, 2023.

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	6	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, 2023 and 2022 and for the each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 29, 2024. 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 PFRSs. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-137-2023, January 25, 2023, valid until January 24, 2026

PTR No. 10082009, January 6, 2024, Makati City

April 29, 2024





**FORA SERVICES, INC.****DOING BUSINESS AS QUEST HOTEL TAGAYTAY****SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
Current Ratio	Total Current assets divided by Total Current Liabilities  Total Current Assets            ₱114,493,206 Divide by: Total Current Liabilities <hr/> Current Ratio                                 2.02	<b>2.02</b>	1.13
Debt Ratio	Total Liabilities divided by Total Assets  Total Liabilities                     ₱94,301,495 Divide by: Total Assets             116,447,984 <hr/> Debt Ratio                                     0.81	<b>0.81</b>	0.87
Quick Asset Ratio	Quick Assets ( <i>total current assets less inventories</i> ) divided by Current Liabilities  Total Current Assets                ₱114,493,206 Less: Inventories                     1,996,179 <hr/> Quick Assets                         112,497,027 Divide by: Total Current Liabilities                               56,544,795 <hr/> Quick Asset Ratio                         1.99	<b>1.99</b>	1.12
Solvency Ratio	Net Income before Depreciation ( <i>net income plus depreciation</i> ) divided by Total Liabilities  Net Income                             ₱7,906,944 Add: Depreciation                     680,556 <hr/> Net Income before Depreciation                           8,587,500 Divide by: Total Liabilities                               94,301,495 <hr/> Solvency Ratio                             0.09	<b>0.09</b>	0.12
Interest Coverage Ratio	Earnings before Interest and Other Charges and Income Tax (EBIT) divided by Interest Expense  EBIT                                     ₱14,957,931 Divide by: Interest Expense                                     4,555,961 <hr/> Interest Coverage Ratio                 3.28	<b>3.28</b>	–
Net Profit Margin	Net Income divided by Revenue  Net Income                             ₱7,906,944 Divide by: Revenue                   100,130,683 <hr/> Net Profit Margin                         0.08	<b>0.08</b>	0.14

<b>Ratio</b>	<b>Formula</b>	<b>2023</b>	<b>2022</b>
Return on Equity	Net Income divided by Total Equity  $\frac{\text{Net Income } \text{₱7,906,944}}{\text{Divide by: Total Equity } 22,146,489}$ Return on Equity 0.36	<b>0.36</b>	0.80
Return on Assets	Net Income divided by Average Total Assets  $\frac{\text{Net Income } \text{₱7,906,944}}{\text{Divide by: Average Total Assets } 114,688,399}$ Return on Assets 0.07	<b>0.07</b>	0.12
Asset-to-Equity Ratio	Total Assets divided by Total Equity  $\frac{\text{Total Assets } \text{₱116,447,984}}{\text{Divide by: Equity } 22,146,489}$ Asset-to-Equity Ratio 5.26	<b>5.26</b>	7.93

## COVER SHEET

SEC Registration Number

C S 2 0 1 8 1 8 3 3 9

COMPANY NAME

F	O	R	A	S	E	R	V	I	C	E	S	,	I	N	C	.	D	O	I	N	G	B	U	S	I	
N	E	S	S	A	S	Q	U	E	S	T	H	O	T	E	L	T	A	G	A	Y	T	A	Y			

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

F	o	r	a	R	o	t	u	n	d	a	T	a	g	a	y	t	a	y	,	G	e	n	e	r	a	l
E	m	i	l	i	o	A	g	u	i	n	a	l	d	o	H	i	g	h	w	a	y	,	S	i	l	
a	n	g	J	u	n	c	t	i	o	n	,	B	a	r	a	n	g	a	y	S	i	l	a	n	g	
C	r	o	s	s	i	n	g	E	a	s	t	,	T	a	g	a	y	t	a	y	,	4	1	2	0	
C	a	v	i	t	e																					

Form Type

1 7 - Q

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

## COMPANY INFORMATION

Company's Email Address

katrina.clemente-lua@filinvestland.com

Company's Telephone Number

7918-8188

Mobile Number

N/A

No. of Stockholders

6

Annual Meeting (Month / Day)

Last Friday of October

Fiscal Year (Month / Day)

12/31

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Nancy R. Rivera

Email Address

nancy.rivera@filinvesthospitality.com

Telephone Number/s

+6346-8460278

Mobile Number

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.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-Q**

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE  
AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended **June 30, 2024**
2. SEC Identification Number **CS201818339**
3. BIR Tax Identification No. **010-114-986-000**
4. Exact name of issuer as specified in its charter  
**FORA SERVICES, INC. DOING BUSINESS AS QUEST HOTEL TAGAYTAY**
5. Province, Country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. Address of issuer's principal office Postal Code  
**Fora Rotunda Tagaytay, General Emilio Aguinaldo** **4120**  
**Highway Silang Junction, Barangay Silang Crossing**  
**East Tagaytay**
8. Issuer's telephone number, including area code **(46) 419-8799**
9. Former name, former address, and former fiscal year, if changed since last report **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC

<b>Class</b>	<b>No. of Certificates Per Class</b>	<b>Offer Price per Certificate</b>	<b>Aggregate Offer Price per Class</b>
Studio 23	63	Php187,700	Php11,825,100
Studio 27	61	Php220,400	Php13,444,400
Studio 29	18	Php236,700	Php4,260,600
Suite 44	18	Php359,100	Php6,463,800
Suite 54	4	Php440,700	Php1,762,800
<b>TOTAL</b>	<b>164</b>		<b>Php37,756,700</b>

11. Are any or all of these securities listed on the Philippine Stock Exchange?  
 Yes  No

12. Indicate by check mark whether the issuer:

- (a) has filed reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA Rule 1(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes  No

- (c) has been subject to such filing requirements for the past 90 days.

Yes  No

---

**TABLE OF CONTENTS**

	<b>Page No.</b>
<b>PART I FINANCIAL INFORMATION</b>	
<b>Item 1 Financial Statements</b>	
Interim Statements of Financial Position as at June 30, 2024 and December 31, 2023	5
Interim Statements of Comprehensive Income for the Six months ended June 30, 2024 and 2023	6
Interim Statement of Changes in Equity for the Six months ended June 30, 2024 and 2023	7
Interim Statements of Cash Flows for the Six months ended June 30, 2024 and 2023	8
Notes to Consolidated Financial Statements	9-25
<b>Item 2 Management Discussion and Analysis of Financial Condition and Results of Operations</b>	26-28
<b>Aging of Receivables</b>	29
<b>Part II OTHER INFORMATION</b>	
<b>Item 3 Sale of Securities</b>	30
<b>Item 4 Index to Supplementary Schedules</b>	31
Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration	32-33
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	34
Annex C - Supplementary Schedules Required by Annex 68-J	35-36
<b>Item 5 Components of Financial Soundness Indicators</b>	37-38
<b>Item 6 Signature</b>	39

---

**PART 1 - FINANCIAL INFORMATION**

**FOR A SERVICES, INC.  
DOING BUSINESS AS QUEST HOTEL TAGAYTAY**

---

**Unaudited Interim Financial Statements**

As at June 30, 2024 and December 31, 2023  
and  
For the Six months ended June 30, 2024 and 2023

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

	<b>June 30 2024 (Unaudited)</b>	December 31 2023 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Notes 4 and 12)	88,083,488	84,873,235
Receivables (Note 5)	6,664,293	12,216,060
Due from related parties (Note 12)	-	12,902,694
Inventories (Note 6)	1,996,832	1,996,179
Other currents assets (Note 7)	1,751,194	2,505,038
<b>Total Current Assets</b>	<b>98,495,808</b>	<b>114,493,206</b>
<b>Noncurrent Assets</b>		
Property and equipment (Note 8)	10,655,462	1,098,191
Software costs (Note 9)	755,504	856,587
<b>Total Noncurrent Assets</b>	<b>11,410,966</b>	<b>1,954,778</b>
	<b>109,906,774</b>	<b>116,447,984</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables (Note 10 and 11)	29,894,000	32,270,001
Accrued interest payable	7,884,000	3,644,769
Contract liabilities (Note 13)	218,251	1,233,649
Due to related parties (Note 12)	10,567,640	18,083,250
Income tax payable	15,094	1,313,126
<b>Total Current Liabilities</b>	<b>48,578,986</b>	<b>56,544,795</b>
<b>Non Current Liabilities</b>		
Participation liability (Notes 11 and 12)	37,756,700	37,756,700
<b>Total Non Current Liabilities</b>	<b>37,756,700</b>	<b>37,756,700</b>
	<b>86,335,686</b>	<b>94,301,495</b>
<b>Equity</b>		
Capital stock (Note 16)	400,000	400,000
Retained earnings	21,746,489	13,839,545
Net income	1,424,599	7,906,944
<b>Total Equity</b>	<b>23,571,088</b>	<b>22,146,489</b>
<b>Total Liabilities and Equity</b>	<b>109,906,774</b>	<b>116,447,984</b>

*See accompanying Notes to Financial Statements.*

**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Six months ended June 30, 2024**

	<b>Six months Ended June 30</b>	
	<b>(Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUE</b>		
Revenue from services		
Rooms	51,201,519	48,461,692
Other operating departments	894,978	1,113,224
Miscellaneous	-	383,658
	<b>52,096,497</b>	<b>49,958,574</b>
<b>COST OF SERVICES (Note 14)</b>	<b>20,992,162</b>	<b>29,383,055</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)</b>	<b>17,056,662</b>	<b>17,587,770</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest income (Note 4)	1,170,027	1,187,790
Interest expense (Note 11 and 12)	(13,396,236)	(1,442,637)
	<b>(12,226,209)</b>	<b>(254,847)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,821,463</b>	<b>2,732,902</b>
<b>PROVISION FOR INCOME TAX (Note 17)</b>	<b>396,864</b>	<b>623,836</b>
<b>NET INCOME/ TOTAL COMPREHENSIVE INCOME</b>	<b>1,424,599</b>	<b>2,109,066</b>

*See accompanying Notes to Financial Statements.*



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**STATEMENTS OF CHANGES IN EQUITY**

	<b>June 30, 2024</b>	June 30, 2023
	<i>Unaudited</i>	<i>Unaudited</i>
<b>CAPITAL STOCK</b> (Note 16)	<b>₱ 400,000</b>	<b>₱ 400,000</b>
<b>RETAINED EARNINGS (DEFICIT)</b>		
Balances at beginning of period January 1	21,746,489	13,839,545
Net income for the period	1,424,599	2,109,066
Balances at end of period	23,171,088	15,948,611
	<b>23,571,088</b>	<b>16,348,611</b>

*See accompanying Notes to Financial Statements.*

**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**STATEMENTS OF CASH FLOWS**

	<b>June 30, 2024</b>	June 30, 2023
	<i>Unaudited</i>	<i>Unaudited</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	1,821,463	2,732,902
Adjustments for:		
Depreciation and Amortization (Notes 8, 9 and 15)	2,110,928	339,158
Interest expense (Notes 11 and 12)	13,396,236	-
Interest income (Note 4)	(1,170,027)	(1,187,790)
Operating income before working capital changes	16,158,600	1,884,270
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	5,551,767	2,085,836
Due from related parties	12,902,694	3,865,836
Inventories	(653)	120,304
Other current assets	753,844	(1,246,070)
(Decrease) increase in:		
Accounts and other payables	(2,376,001)	13,202,072
Contract liabilities	(1,015,398)	(1,328,037)
Due to related parties	(7,515,610)	(1,534,802)
Net cash generated from operations	24,459,243	17,049,450
Interest paid	(9,157,005)	-
Interest received	1,170,027	1,187,790
Income taxes paid	(1,298,032)	(623,836)
Net cash provided by operating activities	14,777,369	17,613,404
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment (Note 8)	(11,567,116)	(471,062)
Software	-	(566,201)
Cash used in investing activities	(11,567,116)	(1,037,263)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,210,253</b>	<b>16,576,141</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT BEGINNING OF PERIOD, JANUARY 1</b>	<b>84,873,235</b>	<b>93,150,372</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT END OF PERIOD (Note 4)</b>	<b>88,083,488</b>	<b>109,726,513</b>

*See accompanying Notes to Financial Statements.*

**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**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.

The Company also has secondary license to offer 164 Certificates of Participation to the public as approved by the SEC on May 17, 2023 (see Note 11).

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 June 30, 2024 and 2023 and for each of six months period ended June 30, 2024 were approved and authorized for issue by the BOD on August 14, 2024.

---

**2. Material Accounting Policy Information**

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 June 30, 2024 and 2023 and for the six months ended June 30, 2024, and 2023 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).

### New Standards, Interpretations and Amendments

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, 2024.

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

### Standards, Amendments and Interpretations Issued but not yet Effective

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, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

#### *Deferred effectivity*

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

### Material Accounting Policies

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

#### Financial Instruments - initial recognition, subsequent measurement and impairment

As of June 30, 2024 and 2023, the financial assets of the Company are classified at initial recognition as subsequently measured at amortized cost. In order for a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest test' and is performed at an instrument level.

As of June 30, 2024 and 2023, 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).

The Company recognizes an allowance for expected credit loss (ECL) for all financial assets at amortized costs. The Company applies the following approach in estimating its allowance for ECL (a) low credit risk simplification approach for cash and cash equivalents; and (b) general approach for receivables and due from related parties.

The Company considers a financial asset in default when contractual payments are thirty (30) days past their due dates.

#### *Financial liabilities - initial recognition and subsequent measurement*

As of June 30, 2024 and 2023, the Company's financial liabilities pertain to loans and borrowings. These financial liabilities are recognized initially at fair value, net of directly attributable transaction costs and subsequently measured at amortized cost using effective interest method.

As of June 30, 2024 and 2023, the Company's financial liabilities include accounts and other payables, due to related parties, participation liabilities and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as, income tax payable, and other statutory liabilities).

### Property and Equipment

Property and equipment consist of machineries, tools and computer equipment. Property and equipment are stated 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.

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 to five (5) years.

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 the 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 (5) years.

### 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 suppliers and employees.

### 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.

### 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.

*Revenues from rooms and other operating departments*

Revenues from rooms and other departments are recognized over the time the related services are rendered and/or facilities and amenities are used.

*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.

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. These are measured at the amount paid or payable and are recognized when incurred.

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 use to compute the amount are those that are enacted or substantially enacted at the reporting date.

*Deferred tax*

Deferred tax is provided on all taxable 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 certain exceptions. Deferred tax assets are recognized for all deductible temporary differences and unused net operating loss carryover (NOLCO), to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

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 periods ended June 30, 2024 and 2023 (see Note 18).

---

### **3. Management's Accounting Judgments and Use of Estimates**

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.

#### 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 has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The assessment of the correlation between historical observed default rates, forecast economic conditions 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 customer's actual default in the future.

As of June 30, 2024 and 2023, the carrying value of receivables amounted to ₱6.66 million and ₱10.93 million, respectively. There is no provision for ECL recognized in 2024 and 2023 (Note 5).

---

#### **4. Cash and Cash Equivalents**

This account consists of

	<b>2024</b>	2023
Cash on hand	₱310,000	₱1,104,453
Cash in banks (Note 12)	16,501,442	58,535,550
Cash equivalents (Note 12)	71,272,046	25,233,232
	<b>₱88,083,488</b>	<b>₱84,873,235</b>

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 3.27% to 5.80% and 3.00% to 5.00% in 2024 and 2023, respectively.

Interest income earned from cash and cash equivalents amounted to ₱1.17 million in 2024 (2023 - ₱1.19 million) (Note 12).

There are no restrictions on the Company's cash and cash equivalents as of June 30, 2024 and 2023.

---

#### **5. Receivables**

This account consists of:

	<b>2024</b>	2023
Contract receivables:		
Corporate, travel agency and individuals	₱5,006,142	₱9,871,433
Credit cards	750,348	1,265,759
Guest ledger	244,506	460,802
Others	663,298	618,066
	<b>₱6,664,293</b>	<b>₱12,216,060</b>

Corporate, travel agency and individuals pertain to receivables classified by market segments and are due within 30 to 90 days from billing.

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, third party receivables related to utilities and other reimbursables subject to liquidation.

---

## 6. Inventories

This account consists of:

	<b>2024</b>	<b>2023</b>
Supplies	₱1,728,079	₱1,655,476
Fuel	268,754	340,703
	<b>₱1,996,832</b>	<b>₱1,996,179</b>

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 ₱3.01 million and ₱1.6 million in 2024 and 2023, respectively (Note 14).

---

## 7. Other Current Assets

This account consists of:

	<b>2024</b>	<b>2023</b>
Prepaid expenses	₱1,251,952	₱1,630,318
Advances to suppliers	490,042	611,086
Input value-added tax (VAT) deferred	-	254,434
Security deposits	9,200	9,200
	<b>₱1,751,194</b>	<b>₱2,505,038</b>

Prepaid expenses pertain to the Company's prepayments on insurance, and e-commerce subscriptions. These are recognized as expense over a period not exceeding 12 months.

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.

Input VAT are imposed on the Company by its suppliers and contractors for the acquisition of goods and services which can be applied against output VAT or can be claimed as tax credits.

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.



## 8. Property and Equipment

The roll-forward analysis of this account follows:

	2024					
	Machineries Tools and Equipment	Vehicles	Computer Equipment	Operating Equipment	Furniture, Fixtures & Equipment	Total
<b>Cost</b>						
At beginning of period	673,395	-	947,597	-	-	1,620,992
Additions	-	733,650	-	1,431,994	9,401,472	11,567,116
<b>At end of period</b>	<b>673,395</b>	<b>733,650</b>	<b>947,597</b>	<b>1,431,994</b>	<b>9,401,472</b>	<b>13,188,108</b>
<b>Accumulated Depreciation</b>						
At beginning of period	183,876	-	338,925	-	-	522,801
Depreciation (Note 15)	216,456	73,365	12,360	140,752	1,556,912	2,009,845
At end of period	400,332	73,365	351,285	140,752	1,566,912	2,532,646
<b>Net Book Values</b>	<b>273,063</b>	<b>660,285</b>	<b>596,312</b>	<b>1,291,242</b>	<b>7,834,560</b>	<b>10,655,462</b>

	2023		
	Machineries, Tools and Equipment	Computer Equipment	Total
<b>Cost</b>			
At beginning of period	₱456,007	₱256,696	₱712,703
Additions	217,388	690,901	908,289
At end of period	673,395	947,597	1,620,992
<b>Accumulated Depreciation</b>			
At beginning of period	102,101	33,296	135,397
Depreciation (Note 15)	81,775	305,629	387,404
At end of period	183,876	338,925	522,801
<b>Net Book Values</b>	<b>₱489,519</b>	<b>₱608,672</b>	<b>₱1,098,191</b>

The Company's property and equipment are not pledged or used as collateral to secure any obligation as of June 30, 2024 and 2023.

## 9. Software Costs

The rollforward analysis of this account follows:

	2024	2023
<b>Cost</b>		
Balances at beginning of year	₱1,572,243	₱806,033
Additions	-	766,210
Balances at end of year	1,572,243	1,572,243
<b>Accumulated Amortization</b>		
Balances at beginning of year	715,656	422,504
Amortization (Note 15)	101,083	293,152
Balances at end of year	816,739	715,656
<b>Net Book Value</b>	<b>₱755,504</b>	<b>₱856,587</b>

---

## 10. Accounts and Other Payables

This account consists of:

	<b>2024</b>	<b>2023</b>
Trade payables	P11,641,442	P16,337,862
Accrued expenses	9,910,068	11,450,749
Wages and employee-related payables	3,278,772	2,489,718
Taxes payable	5,063,718	1,991,672
Subtotal	29,894,000	32,270,001
Accrued interest payables (Note 11)	7,884,000	3,644,769
<b>Total Accounts and Other Payables</b>	<b>P37,778,000</b>	<b>P35,914,770</b>

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.

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.

Accrued interest payables pertain to interest payable to certificate holders and FLI (Notes 11 and 12).

Wages and employee-related payables include employees' share on the additional service fees charged to customers. These are normally settled within one month.

Taxes payable includes local taxes, deferred output VAT, expanded withholding taxes and taxes withheld on employee compensation and benefits.

---

## 11. Participation Liabilities

The Company entered into Condotel Participation Agreements (the Agreements) with unit buyers (the Participants) of the Fora Condotel Tower 1 (Condotel Project) with a term of 25 years. Pursuant to the provisions of the Agreement, the Participant shall pay the Company the Joining Fee, which shall be returned without interest at the end of the term of the Condotel Project, and the Company shall manage and operate the Participants' contributed units.

The Company may terminate the Agreements upon reasonable determination that the operation of the Condotel Project can no longer be sustained due to operating losses. In such event, the Company shall return the amount of the Joining Fee, pro rata, received from the participants.

The Unit Buyers' participation interest in the Condotel Project shall be evidenced by Certificates. Each of the Certificate of Participation corresponds to the 164 units in the Condotel Project. The SEC through its SEC MSRD Order No. 25, Series of 2023 issued on May 17, 2023, approved the registration of said 164 Certificates of Participation. The SEC likewise issued the Certificate of Permit to Offer Securities for Sale for said 164 Certificates, on the same date.

Relative to the Agreement, the Certificate Holders shall be entitled to: (a) the payment of distributable participation interest on an annual basis, subject to the terms hereof and the Agreement; and, (b) maximum of 14 nights room use privilege in the Condotel Project per calendar year.

The distributable participation interest is based on total participation income, as adjusted with the impact of provisions, reserves and noncash transactions.

As of June 30, 2024, the Company issued Certificate of Participation for 164 units in the Condotel Project amounting to ₱37.76 million, presented under Participation liabilities in the statement of financial position. As of June 30 2024, total participation interest recognized amounted to ₱13.40 million (2023 - ₱4.56 million).

## 12. 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 June 30, 2024, and 2023, 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:

	<b>2024</b>			
	<b>Amount/ Volume</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
<b>Cash and cash equivalents</b>				
<b>Affiliate</b>				
a. Cash and cash equivalents (Note 4)	8,148,696	84,297,536	Interest-bearing at prevailing market rate	Unrestricted
Interest income	1,170,027			
<b>Due to related parties</b>				
b. Parent Company	(473,098)	(761,165)	Noninterest-bearing; due and demandable	Unsecured
c. Filinvest Land, Inc. (FLI)	1,666,938	(706,607)	Noninterest-bearing; due and demandable	Unsecured
d. Fora Restaurants, Inc. (FRI)	2,268,833	(4,045,666)	Noninterest-bearing; due and demandable	Unsecured
e. Chroma Hospitality, Inc. (CHI)	366,193	(662,698)	Noninterest-bearing; due and demandable	Unsecured
f. Entrata Hotel Services, Inc. (EHSI)	(26,649)	(119,461)	Noninterest-bearing; due and demandable	Unsecured
g. Corporate Technologies, Inc. (CTI)	2,902,385	(1,104,757)	Noninterest-bearing; due and demandable	Unsecured

<b>2024</b>				
	<b>Amount/ Volume</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
h. Hospitality Enterprise Resources Corp. (HERC)	811,008	(3,167,286)	Noninterest-bearing; due and demandable	Unsecured
		(10,567,640)		
<b>Due from related parties</b>				
i. FLI	(11,940,700)	-	Noninterest-bearing; due within 1 year	Unsecured
j. FRI	(716,930)	-	Noninterest-bearing; due and demandable	Unsecured
j. CHI	(217,329)	-	Noninterest-bearing; due and demandable	Unsecured
j. EHSI	(27,735)	-	Noninterest-bearing; due and demandable	Unsecured
	<b>₱12,902,694</b>	<b>-</b>		
<b>Accrued expenses</b>				
k. Interest expense	13,396,236	7,884,000	Due in December 2024	Unsecured
	13,396,236	7,884,000		
<b>Participation liabilities</b>				
k. Joining fee	-	25,816,000	Noninterest-bearing; due in 2048	Unsecured
<b>2023</b>				
	<b>Amount/ Volume</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
<b>Cash and cash equivalents</b>				
<b>Affiliate</b>				
i. Cash and cash equivalents (Note 4)	(₱9,158,064)	₱76,148,839	Interest-bearing at prevailing market rate	Unrestricted
Interest income	2,528,164			
<b>Due to related parties</b>				
j. Parent Company	(₱59,129)	(₱288,067)	Noninterest-bearing; due and demandable	Unsecured
k. Filinvest Land, Inc. (FLI)	15,071,865	(2,373,545)	Noninterest-bearing; due and demandable	Unsecured
l. Fora Restaurants, Inc. (FRI)	(1,248,911)	(6,314,499)	Noninterest-bearing; due and demandable	Unsecured

<b>2023</b>				
	<b>Amount/ Volume</b>	<b>Outstanding balance</b>	<b>Terms</b>	<b>Conditions</b>
m. Chroma Hospitality, Inc. (CHI)	647,881	(1,028,891)	Noninterest- bearing; due and demandable	Unsecured
n. Entrata Hotel Services, Inc. (EHSI)	27,452	(92,812)	Noninterest- bearing; due and demandable	Unsecured
o. Corporate Technologies, Inc. (CTI)	(1,133,253)	(4,007,142)	Noninterest- bearing; due and demandable	Unsecured
p. Hospitality Enterprise Resources Corp. (HERC)	(3,978,294)	(3,978,294)	Noninterest- bearing; due and demandable	Unsecured
		<b>(P18,083,250)</b>		
<b><i>Due from related parties</i></b>				
k. FLI	11,940,700	11,940,700	Noninterest- bearing; due within 1 year	Unsecured
l. FRI	(3,345,013)	P716,930	Noninterest- bearing; due and demandable	Unsecured
l. CHI	196,066	217,329	Noninterest- bearing; due and demandable	Unsecured
l. EHSI	27,735	27,735	Noninterest- bearing; due and demandable	Unsecured
		<b>P12,902,694</b>		
<b><i>Accrued expenses</i></b>				
c. FLI (Rent)	P9,264,410	P—	Noninterest- bearing; due and demandable	Unsecured
m. Interest expense	3,320,468	3,320,468	Due in May 2024	Unsecured
		<b>P3,320,468</b>		
<b><i>Participation liabilities</i></b>				
m. Joining fee	P25,816,000	P25,816,000	Noninterest- bearing; due in 2048	Unsecured

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.

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 June 30, 2024 and 2023, balance due to parent amounted to ₱0.76 million and ₱0.28 million, respectively.

- c. 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. Effective May 17, 2023, the lease agreement between the Company and FLI was terminated. The termination came into effect as the participation agreement took precedence over the lease agreement. Under the participation agreement, new terms and conditions govern the relationship between the Company and FLI regarding the use of leased premises (see Note 11).

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 2023, the Company incurred rent expense amounting to ₱9.26 million.

- d. FRI, an affiliate, charges its revenue from food and beverage to the Company as part of the guest's bill upon bill-out.
- e. In July 2018, the Company entered into a management service 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.
- f. EHSI, an affiliate, charges the Company for intercompany expenses.
- g. CTI, an affiliate, charges the Company for telecommunication and IT solutions expenses.
- h. In 2023, the Company entered into an agreement wherein HERC is to provide services related to compensation and benefits and recruitment, accounting, revenue management and reservation, and supply chain.
- i. As of June 30, 2024, Due from Affiliates was reclassified to fixed assets account.
- j. The Company charges FHC, FLI, FRI, CHI and EHSI for intercompany expenses.
- k. Participation liabilities pertain to joining fee received from FLI which is equivalent to the offer price paid for a certificate and will be repaid upon end of the term of the Condotel Participation Agreement. Each certificate is entitled to participation interest distributed annually (see Note 11).

*Compensation of key management personnel*

Compensation of key management personnel of the Company consists of employee salaries and benefits amounting to ₱0.41 million, ₱1.23 million in 2024, and 2023, respectively.

---

### 13. Revenue, Income and Contract Balances

Revenue from Contracts with Customers

The Company deals with guests who are required to pay hotel room charges which cover room services and use of other ancillary services.

Revenue from rooms and other operating department 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 hotel room rate is fixed and has no variable consideration. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Guest usually pays in advance either in full or partially to guarantee reservation. Guests are required to settle all outstanding bills before check-out. Corporate accounts and travel agencies are required to pay 30 to 90 days from billing date.

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 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:

	<b>2024</b>	2023
Balances at beginning of year	₱1,233,649	₱3,200,181
Additions	9,010,938	14,609,419
Recognized as revenue	(10,026,336)	(16,575,951)
Balances at end of year	<u>₱218,251</u>	<u>₱1,233,649</u>

---

**14. Cost of Services**

This account consists of:

	<b>2024</b>	<b>2023</b>
Salaries, wages, and benefits	P5,130,072	P3,790,048
Utilities	4,060,418	7,602,914
Association dues	2,640,836	1,950,406
Laundry and linens	2,283,719	1,516,601
Commission	2,047,681	2,468,720
Operating supplies	1,720,026	1,607,834
E-Commerce fee	1,688,567	1,387,825
Spa services	652,222	801,115
Rental	-	9,264,409
Others	768,612	943,589
	<b>P20,992,162</b>	<b>P29,383,055</b>

Others include payment for office supplies, cable, uniforms, printing, decorations and other miscellaneous expenses.

---

**15. General and Administrative Expenses**

This account consists of:

	<b>2024</b>	<b>2023</b>
Salaries, wages, and benefits	P3,443,128	P3,940,110
Depreciation and amortization	2,110,928	339,158
Management fees	1,737,172	1,677,964
Credit and collection	1,333,130	890,100
System costs	1,109,967	1,251,145
E-Commerce fee	1,057,789	1,410,942
Corporate office reimbursable	956,831	1,264,246
Contract services	955,810	1,033,411
Sales office expenses	825,244	288,788
Administration Fee	795,895	596,326
Insurance premium	750,188	1,192,303
Security services	725,920	1,094,153
Professional fees	601,328	200,000
Telecommunication	188,591	662,431
Printing and office supplies	167,057	38,885
Repairs and maintenance	90,849	770,669
Travel and transportation	87,500	204,103
Taxes and licenses	41,181	42,534
Others	78,155	690,502
	<b>P17,056,662</b>	<b>P17,587,770</b>

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.



---

## 16. Equity

As of June 30, 2024 and 2023, 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 2024 and 2023.

The Company considers its capital stock and participation liabilities amounting to ₱0.40 million and ₱37.76 million and, as of June 30, 2024 and 2023, respectively, as its capital employed. The Company is not subject to externally imposed capital requirements.

---

## 17. Income Taxes

The provision for income tax consists of current income tax amounting to ₱0.40 million (2023 - ₱0.62 million).

The reconciliation of the income tax computed at statutory rate of 25% to provision for income tax follows:

	2024	2023
Income tax at statutory income tax rate	455,366	683,255
Tax effects of:		
Interest income subjected to final tax	(58,502)	(59,389)
	<u>396,864</u>	<u>623,836</u>

---

## 18. 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% and 14% of the Company's total revenue for the periods ended June 30, 2024 and 2023, respectively. The decrease is due to the market mix and lower government contracts in 2024 compared to last year.

---

## 19. 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 June 30, 2024 and 2023 due to the short-term nature of the transactions.

As of June 30, 2024 and December 31, 2023, the Company's participation liabilities has a carrying value and fair value of ₱37.76 million. The estimated fair value of participation liabilities is determined by discounting the sum of future cash flows using the prevailing market rates of 6.12%.

### 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:

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents*	₱87,773,487	₱83,768,782
Receivables	6,446,042	12,216,060
Due from related parties	-	12,902,694
Security deposits	9,200	9,200
	<b>₱94,228,729</b>	<b>₱108,896,736</b>

\*Excludes cash on hand.

As of June 30, 2024 and 2023, 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:

	2024				Total
	On demand	Less than 3 months	3 to 12 months	More than 12 months	
<b>Financial assets</b>					
Cash and cash equivalents	16,811,442	71,272,046	-	-	₱88,083,488
Receivables	3,545,646	2,900,396	-	-	6,446,042
Due from related parties	-	-	-	-	-
	20,357,088	71,272,046	-	-	94,529,530
<b>Financial liabilities</b>					
Accounts and other payables*	18,925,439	-	-	-	18,925,439
Due to related parties	6,851,627	-	-	-	6,851,627
Participation liabilities	-	-	-	37,756,700	37,756,700
	25,777,066	-	-	37,756,700	63,533,766

\*Excludes statutory payables amounting to ₱5.05 million.

	2023				Total
	On demand	Less than 3 months	3 to 12 months	More than 12 months	
<b>Financial assets</b>					
Cash and cash equivalents	₱59,640,003	₱25,233,232	₱-	₱-	₱84,873,235
Receivables	-	12,216,060	-	-	12,216,060
Due from related parties	12,902,694	-	-	-	12,902,694
	₱72,542,697	₱37,449,292	₱-	₱-	₱109,991,989
<b>Financial liabilities</b>					
Accounts and other payables*	₱-	₱27,788,611	₱3,644,769	₱-	₱31,433,380
Due to related parties	18,083,250	-	-	-	18,083,250
Participation liabilities	-	-	-	37,756,700	37,756,700
	₱18,083,250	₱27,788,611	₱3,644,769	₱37,756,700	₱87,273,330

\*Excludes statutory payables amounting to ₱4.48 million.

**FORA SERVICES, INC.  
DOING BUSINESS AS QUEST HOTEL TAGAYTAY**

**Management's Discussion and Analysis of Financial Condition and Results of Operation**

**Six Months Ended June 30**

	<b>2024</b>	<b>2023</b>	Change Increase (Decrease) Php	%
	<b>(Unaudited)</b>	(Unaudited)		
<b>REVENUE</b>				
Revenue from services	51,201,519	48,461,692	2,739,827	6%
Other operating departments	894,978	1,113,224	(218,246)	-20%
Miscellaneous	-	383,658	(383,658)	-100%
	<b>52,096,497</b>	<b>49,958,574</b>	<b>2,137,923</b>	<b>4%</b>
<b>COST OF SERVICES</b>				
	20,992,162	29,383,055	(8,390,893)	-29%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
	17,056,662	17,587,770	(531,108)	-3%
<b>INCOME BEFORE OTHER INCOME (EXP)</b>				
	14,047,672	7,683,184	11,059,923	370%
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	1,170,027	1,187,790	(17,763)	-1%
Interest expense	(13,396,236)	(1,442,637)	(11,953,599)	829%
	<b>(12,226,209)</b>	<b>(254,847)</b>	<b>(11,971,362)</b>	<b>4697%</b>
<b>INCOME BEFORE INCOME TAX</b>				
	1,821,463	2,732,902	(911,439)	-33%
<b>PROVISION FOR INCOME TAX</b>				
	396,864	623,836	(226,972)	-36%
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>				
	1,424,599	2,109,066	(684,467)	-32%

As of June 30, 2024 the company reported a Net Income of ₱0.68 million lower by ₱1.43 million or 68% than last year which is mainly attributed to the Interest Expense or the Participation Income to Unit Owners.

**Revenue**

For the six Months Ended June 30, 2024 the company revenue from services increased by 6% from last year partly offset by lower other operating departments income due to the phase out of minibar operations. The increase in the revenue from services is mainly driven by higher average daily rate of ₱2,986 (same period last year, ₱2,425) with the change in the market mix.

**Cost of Services**

Cost of Services decreased by 29% or ₱8.39 million mainly due to the recognition of rental expense that was incurred last year.

**General and Administrative Expenses**

General and Admin Expenses amounted to ₱17.06 million, 3% or ₱0.53 million lower than last year mainly due to lower repairs and maintenance.

**Other Income (Expenses)**

**Interest Income** pertains to interest earned from deposits and short term investment.

**Interest Expense** attributed to accrued distributable participation interest.

**Provision for Income tax**

For the Six months ended June 30, 2024, the provision for income tax is recognized based on 25% effective income tax rate. This is mainly driven by the results of operations.

	June 30 2024 (Unaudited)	December 31 2023 (Audited)	Change Increase (Decrease) Php	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	88,083,488	84,873,235	3,210,253	4%
Receivables	6,446,042	12,216,060	(5,551,767)	-45%
Due from related parties	-	12,902,694	(12,902,694)	-100%
Inventories	1,996,832	1,996,179	653	0.03%
Other currents assets	1,751,194	2,505,038	(597,378)	-24%
<b>Total Current Assets</b>	<b>98,495,808</b>	<b>114,493,206</b>	<b>(15,997,398)</b>	<b>-14%</b>
<b>Noncurrent Assets</b>				
Property and equipment	10,655,462	1,098,191	9,557,271	870%
Software costs	755,504	856,587	(101,083)	-12%
<b>Total Noncurrent Assets</b>	<b>11,410,966</b>	<b>1,954,778</b>	<b>9,456,188</b>	<b>484%</b>
	<b>109,906,774</b>	<b>116,447,984</b>	<b>(6,541,210)</b>	<b>-6%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts and other payables	37,778,000	35,914,770	1,863,230	5%
Contract liabilities	218,251	1,233,649	(1,015,398)	-82%
Due to related parties	10,567,640	18,083,250	(7,515,610)	-42%
Income tax payable	15,094	1,313,126	(1,298,032)	-99%
<b>Total Current Liabilities</b>	<b>48,578,986</b>	<b>56,544,795</b>	<b>(7,965,809)</b>	<b>-14%</b>
<b>Non Current Liabilities</b>				
Participation liability	37,756,700	37,756,700	-	100%
<b>Total Non Current Liabilities</b>	<b>37,756,700</b>	<b>37,756,700</b>	<b>-</b>	<b>100%</b>
<b>Equity</b>				
Capital stock	400,000	400,000	-	0%
Retained earnings	23,171,088	21,746,489	1,424,599	7%
<b>Total Equity</b>	<b>23,571,088</b>	<b>22,146,489</b>	<b>1,424,599</b>	<b>7%</b>
	<b>109,906,774</b>	<b>116,447,984</b>	<b>(6,541,210)</b>	<b>-6%</b>

As of June 30, 2024 the financial position of the company remained strong with total assets of ₱109.91 million, a minimal decrease of ₱6.54 million compared to last year.

**Cash and Cash equivalents**

This account includes cash on hand and in bank and short-term investment that earns interest at the prevailing rate of 5.8%. For the Six months ended June 30, 2024 total cash balance increased by 4% attributed to the increase in operating cash flow.

**Receivables**

As of June 30, 2024 total accounts receivables amounted to ₱6.45 million. 45% decrease due to improved collection.

**Due from related parties**

As of June 30, 2024 total Due from related parties decreased due to reclassification mainly to fixed asset accounts.

**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. Ending inventory as of June 30, 2024, a minimal decrease of 0.03% compared to last year.

**Other Current Assets**

Other Assets consists mainly of advances to suppliers, creditable withholding taxes, and prepaid expenses.

**Noncurrent Assets**

Noncurrent assets consist of property and equipment and software cost.

**Accounts and Other Payables**

As of June 30, 2024, Accounts and other payables amounted to ₱37.78 million. The increment was driven by additional accrual of participation interest, electricity, contract services, system and operating requirements incurred during the period.

**Contract Liabilities**

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

For the Six months ended June 30, 2024, contract liabilities went down to 82% attributed to additional deposits from guests offset against usage of deposits from room reservation.

**Due to related parties**

The company has entered various transaction with related parties that are unsecured, interest-free and require settlement in cash. As of June 30, 2024 and December 31, 2023 total due to related party amounted to ₱10.57 million and ₱18.08 million, respectively.

**Noncurrent Liability**

This account pertains to the joining fee 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.

**Equity**

Overall increase of 3% mainly attributed to net income earned during the period.

ATTACHMENT-I

FORA SERVICES, INC.  
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

---

AGING OF ACCOUNTS RECEIVABLE

JUNE 30, 2024

	Current	1-30 days	31-60 days	61-90 days	>120 days	Total
Trade Receivables	2,350,252	1,436,350	603,246	860,800	-	5,250,648
<b>TOTAL</b>	<b>2,350,252</b>	<b>1,436,350</b>	<b>603,246</b>	<b>860,800</b>	<b>-</b>	<b>5,250,648</b>

**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**

---

**OTHER INFORMATION**

**SALE OF SECURITIES**

Fora Services Inc. (FOSI) received from SEC the Certificate of Permit to Offer Securities dated 17 May 2023, relating to the following 164 Certificates of Participation (“Certificates”) in the Quest Hotel Tagaytay Project covered under SEC MSRD Order No. 25, Series of 2023, viz:

<b>Class</b>	<b>No. of Certificates per Class</b>	<b>Offer Price per Certificate</b>	<b>Aggregate Offer Price per Class</b>
Studio 23	63	₱187,700	₱11,825,100
Studio 27	61	₱220,400	₱13,444,400
Studio 29	18	₱236,700	₱ 4,260,600
Suite 44	18	₱359,100	₱ 6,463,800
Suite 54	4	₱440,700	₱ 1,762,800
<b>TOTAL</b>	<b>164</b>		<b>₱37,756,700</b>

The Certificates shall have a term of twenty-five year 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 FOSI. The Certificates will be offered and sold by FOSI exclusively to Unit Owners of the Project. The Offer Price will be repaid to the Certificate Holders upon the end of the term of the Project.

The foregoing securities have been registered pursuant to the requirements of Sections 8 and 12 of the Securities Regulation Code and its amended Implementing Rules and Regulations.



**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

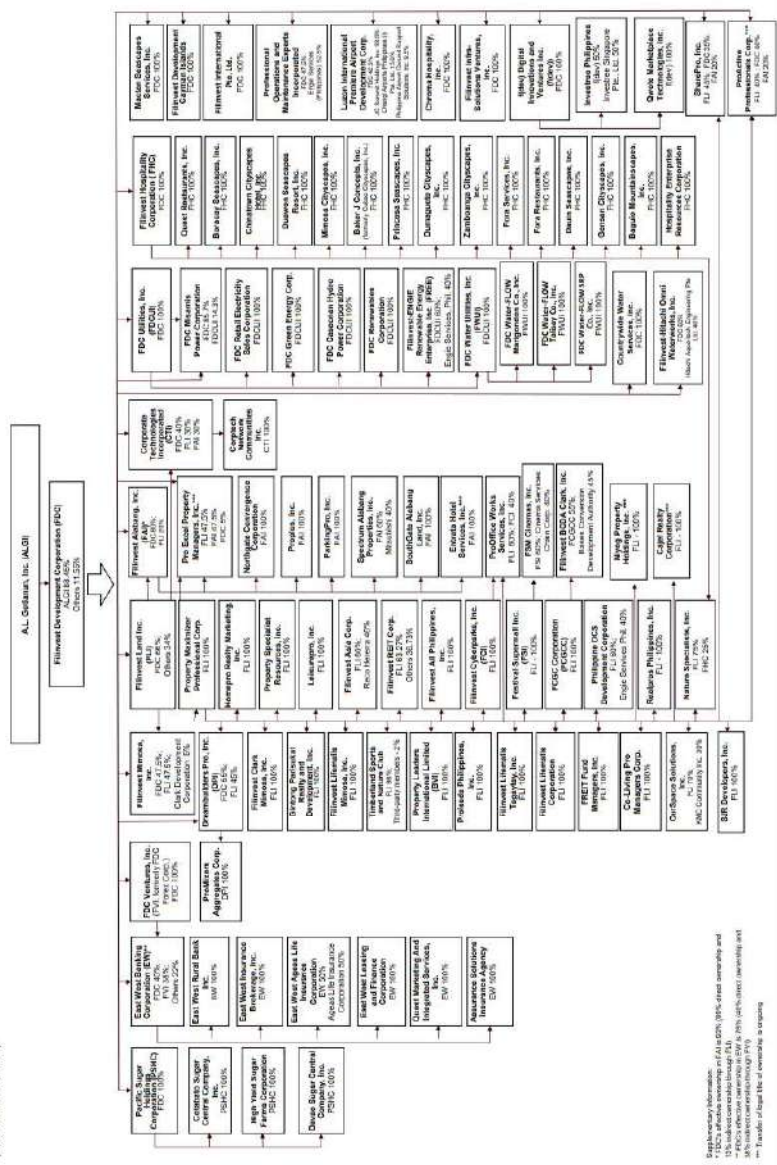
**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR**  
**DIVIDEND DECLARATION**  
**JUNE 30, 2024**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>		P21,746,489
<b>Add: Items that are directly credited to Unappropriated Retained Earnings</b>		
Reversal of retained earnings appropriation	-	
Effect of restatements	-	
Others	-	
<b>Less: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during the reporting period		
Retained earnings appropriated during the reporting period	-	
Effect of restatements	-	
Others – deferred tax assets recognized	-	-
<b>Unappropriated Retained Earnings, as adjusted</b>		<u>21,746,489</u>
<b>Add/Less: Net income (loss) for the current year</b>		1,424,599
<b>Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and equivalents	-	
Unrealized fair value adjustment (marked-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Sub-total		-
<b>Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss FVTPL)	-	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Sub-total		-
<b>Add: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	

Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Sub-total		-
<b>Adjusted Net Income/Loss</b>		<b>1,424,599</b>
<b>Add: Non-actual losses recognized in profit or loss during the reporting period (net of tax)</b>		
Depreciation on revaluation increment (after tax)	-	
Sub-total		-
<b>Add/Less: Adjustments related to relief granted by the SEC and BSP</b>		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
<b>Add/Less: Other items that should be excluded from the determination of the amount of available for dividends distribution</b>		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others	-	
Sub-total		-
<b>Total Retained Earnings, end of reporting period available for dividend</b>		<b>P 23,171,088</b>

**FORA 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  
JUNE 30, 2024**

A.L. GOTANUK, INC.  
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES  
(As of June 30, 2024)



**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  


---

**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY REVISED SRC RULE 68**  
**(ANNEX 68-J)**  
**JUNE 30, 2024**

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 June 30, 2024, 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 June 30, 2024, 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

As of June 30, 2024, there is no outstanding receivables from related parties of the Company, as presented in the financial statements as of June 30, 2024. There were no amounts written off during the year. This schedule is not applicable to the Company.

Schedule D. Long-term Debt

This schedule is not applicable since the Company does not have any long-term debt as of June 30, 2024.

Schedule E. Indebtedness to Related Parties

As of June 30, 2024, due to a related party pertains to Participation liabilities.

Name of Related Party	Balance at beginning of the year	Movement	Balance at end of the year
Filinvest Land, Inc.	₱25,816,000	(₱187,700)	₱25,628,300

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 June 30, 2024.

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	6	None

**FORA SERVICES, INC.**  
**DOING BUSINESS AS QUEST HOTEL TAGAYTAY**  
**SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS**

<b>Ratio</b>	<b>Formula</b>	<b>2024</b>	<b>2023</b>
Current Ratio	Total Current Assets divided by Total Current Liabilities	<b>2.03</b>	1.13
	Total Current Assets 98,495,808		
	Divide by: Total Current Liabilities 48,578,986		
	Current Ratio 2.03		
Debt Ratio	Total Liabilities divided by Total Assets	<b>0.79</b>	0.81
	Total Liabilities 86,335,686		
	Divide by: Total Assets 109,906,774		
	Debt Ratio 0.79		
Quick Asset Ratio	Quick Assets ( <i>total current assets less inventories</i> ) divided by Current Liabilities	<b>1.99</b>	1.19
	Total Current Assets 98,495,808		
	Less: Inventories 1,996,832		
	Quick Assets 96,498,975		
	Divide by: Total Current Liabilities 49,578,986		
Quick Asset Ratio 1.99			
Solvency Ratio	Net Income before Depreciation ( <i>net income plus depreciation</i> ) divided by Total Liabilities	<b>0.04</b>	0.08
	Net Income 1,424,599		
	Add: Depreciation 2,009,845		
	Net Income before Depreciation 3,434,444		
	Divide by: Total Liabilities 86,335,686		
Solvency Ratio 0.04			
Interest Coverage Ratio	Earnings before Interest and Other Charges and Income Tax (EBIT) divided by Interest Expense	<b>1.05</b>	-
	EBIT 14,047,672		
	Divide by: Interest Expense 13,396,236		
	Interest Coverage Ratio 1.05		
Net Profit Margin	Net Income divided by Revenue	<b>0.03</b>	0.06
	Net Income 1,424,599		
	Divide by: Revenue 52,096,497		
	Net Profit Margin 0.03		

Return on Equity	Net Income divided by Total Equity		<b>0.06</b>	0.30
	Net Income	1,424,599		
	Divide by: Total Equity	23,571,088		
	Return on Equity	0.06		
Return on Assets	Net Income divided by Average Total Assets		<b>0.01</b>	0.12
	Net Income	1,424,599		
	Divide by: Average Total Assets	113,177,379		
	Return on Equity	0.01		
Asset-to-Equity Ratio	Total Assets divided by Total Equity		<b>4.66</b>	5.15
	Total Assets	109,906,774		
	Divide by: Total Equity	23,571,088		
	Return on Equity	4.66		

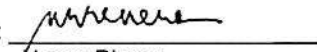


**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**FORA SERVICES, INC. DOING BUSINESS AS QUEST HOTEL TAGAYTAY**

Signature:   
Francis V. Ceballos  
Title: President/CEO

Signature:   
Nancy Rivera  
Title: Treasurer and Chief Financial Officer

## MANAGEMENT DISCUSSION AND ANALYSIS AND 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			
	2024 (Unaudited)	2023 (Unaudited)	Change Increase (Decrease) Php	%
<b>REVENUE</b>				
Revenue from services	₱51,201,519	₱48,461,692	₱2,739,827	6%
Other operating departments	894,978	1,113,224	(218,246)	-20%
Miscellaneous	-	383,658	(383,658)	-100%
	<b>52,096,497</b>	<b>49,958,574</b>	<b>2,137,923</b>	<b>4%</b>
<b>COST OF SERVICES</b>	<b>20,992,162</b>	<b>29,383,055</b>	<b>(8,390,893)</b>	<b>-29%</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>17,056,6623</b>	<b>17,587,770</b>	<b>(531,107)</b>	<b>-3%</b>
<b>INCOME BEFORE OTHER INCOME (EXP)</b>	<b>14,047,672</b>	<b>2,987,749</b>	<b>11,059,923</b>	<b>370%</b>
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	1,170,027	1,187,790	(17,763)	-1%
Interest expense	(13,396,236)	(1,442,637)	(11,953,599)	829%
	<b>(12,226,209)</b>	<b>(254,847)</b>	<b>(11,971,362)</b>	<b>4697%</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,821,463</b>	<b>2,732,902</b>	<b>(911,439)</b>	<b>-33%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>396,864</b>	<b>623,836</b>	<b>(226,972)</b>	<b>-36%</b>
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>	<b>₱1,424,599</b>	<b>₱2,109,066</b>	<b>₱(684,467)</b>	<b>-32%</b>

As of June 30, 2024 the company reported a Net Income of ₱0.68 million lower by ₱1.43 million or 68% than last year which is mainly attributed to the Interest Expense or the Participation Income to Unit Owners.

#### Revenue

For the six Months Ended June 30, 2024 the company revenue from services increased by 6% from last year partly offset by lower other operating departments income due to the phase out of minibar operations. The increase in the revenue from services is mainly driven by higher average daily rate of ₱2,986 (same period last year, ₱2,425) with the change in the market mix.

#### Cost of Services

Cost of Services decreased by 29% or ₱8.39 million mainly due to the recognition of rental expense that was incurred last year.

#### General and Administrative Expenses

General and Admin Expenses amounted to ₱17.06 million, 3% or ₱0.53 million lower than last year mainly due to lower repairs and maintenance.

#### Other Income (Expenses)

Interest Income pertains to interest earned from deposits and short term investment.  
Interest Expense attributed to accrued distributable participation interest.

### Provision for Income tax

For the Six months ended June 30, 2024, the provision for income tax is recognized based on 25% effective income tax rate. This is mainly driven by the results of operations.

### STATEMENTS OF FINANCIAL POSITION

	June 30 2024 (Unaudited)	December 31 2023 (Audited)	Change Increase (Decrease) Php	%
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	₱88,083,488	₱84,873,235	₱3,210,253	4%
Receivables	6,664,293	12,216,060	(5,551,767)	-45%
Due from related parties	-	12,902,694	(12,902,694)	-100%
Inventories	1,996,832	1,996,179	653	0.03%
Other currents assets	1,751,195	2,505,038	(753,843)	-30%
Total Current Assets	98,495,808	114,493,206	(15,997,398)	-14%
Noncurrent Assets				
Property and equipment	10,655,462	1,098,191	9,557,271	870%
Software costs	755,504	856,587	(101,083)	-12%
Total Noncurrent Assets	11,410,966	1,954,778	9,456,188	484%
	109,906,774	116,447,984	(6,541,210)	-6%
<b>LIABILITIES AND EQUITY</b>				
Current Liabilities				
Accounts and other payables	37,778,000	35,914,770	1,863,230	5%
Contract liabilities	218,251	1,233,649	(1,015,398)	-82%
Due to related parties	10,567,641	18,083,250	(7,515,609)	-42%
Income tax payable	15,094	1,313,126	(1,298,032)	-99%
Total Current Liabilities	48,578,986	56,544,795	(7,965,809)	-14%
Non Current Liabilities				
Participation liability	37,756,700	37,756,700	-	100%
Total Non Current Liabilities	37,756,700	37,756,700	-	100%
Equity				
Capital stock	400,000	400,000	-	0%
Retained earnings	23,171,088	21,746,489	1,424,599	7%
Total Equity	23,571,088	22,146,489	1,424,599	7%
	₱109,906,774	₱116,447,984	₱(6,541,210)	-6%

As of June 30, 2024 the financial position of the company remained strong with total assets of ₱109.91 million, a minimal decrease of ₱6.54 million compared to last year.

### Cash and Cash equivalents

This account includes cash on hand and in bank and short-term investment that earns interest at the prevailing rate of 5.8%. For the Six months ended June 30, 2024 total cash balance increased by 4% attributed to the increase in operating cash flow.

**Receivables**

As of June 30, 2024 total accounts receivables amounted to ₱6.45 million. 45% decrease due to improved collection.

**Due from related parties**

As of June 30, 2024 total Due from related parties decreased due to reclassification mainly to fixed asset accounts.

**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. Ending inventory as of June 30, 2024, a minimal decrease of 0.03% compared to last year.

**Other Current Assets**

Other Assets consists mainly of advances to suppliers, creditable withholding taxes, and prepaid expenses.

**Noncurrent Assets**

Noncurrent assets consist of property and equipment and software cost.

**Accounts and Other Payables**

As of June 30, 2024, Accounts and other payables amounted to ₱37.78 million. The increment was driven by additional accrual of participation interest, electricity, contract services, system and operating requirements incurred during the period.

**Contract Liabilities**

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

For the Six months ended June 30, 2024, contract liabilities went down to 82% attributed to additional deposits from guests offset against usage of deposits from room reservation.

**Due to related parties**

The company has entered various transaction with related parties that are unsecured, interest-free and require settlement in cash. As of June 30, 2024 and December 31, 2023 total due to related party amounted to ₱10.57 million and ₱18.08 million, respectively.

**Noncurrent Liability**

This account pertains to the joining fee 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.

**Equity**

Overall increase of 3% mainly attributed to net income earned during the period.

<b>Performance Indicators</b>	<b>JUNE 30. 2024</b>	<b>DEC 31. 2023</b>	
Current Ratio	2.03	1.13	<i>Current ratio is calculated by dividing total current assets over total current liabilities.</i>
Debt Ratio	0.79	0.81	<i>Debt ratio is computed as total liabilities over total assets.</i>
Net Profit Margin	0.03	0.06	<i>Net Profit margin is the result of net income after dividing total revenue</i>
Return on Equity	0.06	0.30	<i>Return on Equity is calculated by dividing net income over total equity.</i>
Return on Assets	0.01	0.12	<i>Return on Assets is computed as net income divided by average total assets</i>

## STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31			
	2023	2022	Change Inc (Dec) Php %	
<b>REVENUE</b>				
Revenue from services				
Rooms	₱97,752,161	₱80,368,185	17,383,976	22%
Other operating departments	2,005,361	767,124	1,238,237	161%
Miscellaneous	373,161	737,716	(364,555)	-49%
	100,130,683	81,873,025	18,257,658	22%
<b>COST OF SERVICES</b>	49,185,836	44,026,324	5,159,512	12%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	38,518,102	33,015,365	5,502,737	17%
<b>OTHER INCOME (EXPENSE)</b>	12,426,745	4,831,336	7,595,409	157%
Income from Insurance claims	-	9,467,928	(9,467,928)	-100%
Interest income	2,531,186	823,206	1,707,980	207%
Interest expense	(4,555,961)	-	(4,555,961)	100%
	(2,024,775)	10,291,134	(12,315,909)	120%
<b>INCOME BEFORE INCOME TAX</b>	10,401,970	15,122,470	(4,720,500)	-31%
<b>PROVISION FOR INCOME TAX</b>	2,495,026	3,740,634	(1,245,608)	-33%
<b>NET INCOME /</b>				
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>	₱7,906,944	₱11,381,836	(3,474,892)	-31%

As of December 31, 2023 the company reported a net income of ₱7.91 million for the year, representing a decrease of ₱3.47 million or 31% compared to the previous year's net income of ₱11.38 million. This decrease is primarily attributed to a decrease in proceeds from insurance claims. Excluding proceeds from insurance, Net Income increased by 313%. The variance in the net income came from a one time insurance proceed received in 2022 (9.5M) and the interest expense of 4.6M attributable to participation interest.

### Revenue

Revenue for the year ended December 31, 2023, increased by 22% compared to the previous year. This increase is mainly driven by a higher with increase in occupancy rate from 45% to 58%.

### Cost of Services

Cost of services increased by 12%, corresponding to the increase in the volume of transactions and the cost of doing business. Additionally, the company incurred lease expenses amounting to ₱9.26 million, with the lease agreement being terminated on May 17, 2023 upon issuance of Certificate of Permit to Offer Securities by SEC.

### General and Administrative Expenses

General and administrative expenses increased by 17% compared to the previous year, amounting to ₱38.52 million. This increase is attributed to the volume of transactions.

### Other Income (Expenses)

Income from insurance claims, representing one-time proceeds from insurance amounting to ₱9.47 million. Interest income pertains to interest earned from deposits and short term investment increased by 207% to ₱2.53 million in 2023.

Interest expense is attributed to accrued distributable participation interest amounted to ₱4.56 million in 2023.

### Provision for Income Tax

Provision for income tax decreased by 33% from ₱3.74 million in 2022 to ₱2.50 million in 2023.

### STATEMENTS OF FINANCIAL POSITION

	December 31		
	2023	2022	Change Increase (Decrease) Php %
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	₱84,873,235	₱93,150,373	(8,277,138) -9%
Receivables	12,216,060	11,536,941	679,119 6%
Due from related parties	12,902,694	4,083,206	8,819,488 216%
Inventories	1,996,179	1,673,358	322,821 19%
Other currents assets	2,505,038	1,524,101	980,937 64%
Total Current Assets	114,493,206	111,967,979	2,525,227 2%
<b>Noncurrent Assets</b>			
<b>Right-of-use asset</b>			
Property and equipment	1,098,191	577,306	520,885 90%
Software cost	856,587	383,529	473,058 123%
Total Noncurrent Assets	1,954,778	960,835	993,943 103%
	₱116,447,984	₱112,928,814	₱3,519,170 3%
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts and other payables	₱35,914,770	₱68,078,227	(32,163,457) -47%
Contract liabilities	1,233,649	3,200,181	(1,966,532) -61%
Due to related parties	18,083,250	27,410,861	(9,327,611) -34%
Lease liability	1,313,126	-	1,313,126 100%
Total Current Liabilities	₱56,544,795	₱98,689,269	(42,144,474) -43%
<b>Non Current Liabilities</b>			
Participation liability	37,756,700	-	37,756,700 100%
Total Non Current Liabilities	37,756,700	-	37,756,700 100%
<b>Equity</b>			
Capital stock	₱400,000	₱400,000	- 0%
Retained earnings (deficit)	21,746,489	13,839,545	7,906,944 57%
Total Equity	22,146,489	14,239,545	7,906,944 56%
	₱116,447,984	₱112,928,814	₱3,519,170 3%

As of December 31, 2023, the financial position of the company remained robust with total assets amounting to ₱154.59 million. The increase in total assets was primarily driven by a 44% increase in cash and cash equivalents and a substantial 247% increase in other assets.

#### Cash and Cash Equivalents

This account includes cash on hand and in bank and short-term investment that earns interest at the prevailing rate of 0.25%. The cash and cash equivalents account decreased from ₱93.15 million in 2022 to ₱84.87 million in 2023, indicating a decrease of ₱8.28 million or 9%. This decrease is attributed to various factors, including cashflow from operations receipt of proceeds of issuance of certificate of participation netted by various payments of liabilities

#### Receivables

Increased by 6% from ₱11,536,941 in 2022 to ₱12,216,060 in 2023. This increase is due to more corporate clients with credit terms in December 2023 compared to 2022.

**Due from Related Parties**

The company has entered various transaction with related parties that are unsecured, interest free and require settlement in cash. As of December, 31, 2023 total due to/from related party amounted to P18 million and P12.9 million.

**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. Increased by 19% from ₱1,673,358 in 2022 to ₱1,996,179 in 2023. This increase is attributed to a rise in ending inventory, mainly consisting of supplies and fuel.

**Other Current Assets**

Other Assets consist of advances to suppliers, taxes and prepaid expenses. Increased by 64% from ₱1,524,101 in 2022 to ₱2,505,038 in 2023. This increase is mainly driven by advances, deposits, and prepayments.

**Property and Equipment**

Increased substantially by 90% from ₱577,306 in 2022 to ₱1,098,191 in 2023, indicating significant investments in property and equipment.

**Software Costs**

Increased by 123% from ₱383,529 in 2022 to ₱856,587 in 2023, suggesting investments in software infrastructure.

**Accounts and Other Payables**

Decreased by 19% from ₱68,078,227 in 2022 to ₱35,914,770 in 2023, mainly due to payment of various accounts payable.

**Contract Liabilities**

Contract liabilities represents obligation to provide services to the customer for which the Company has received consideration. Decreased significantly by 41% from ₱3,200,181 in 2022 to ₱1,233,649 in 2023, primarily due to utilized deposits from guests during the year.

**Due to Related Parties**

Decreased by 5% from ₱27,410,861 in 2022 to ₱18,083,250 in 2023, indicating a payment to various related parties.

**Income Tax Payable**

A new entry in 2023, amounting to ₱1,313,126, reflecting tax obligations for the year.

**Participation Liability**

As of December 31, 2023, the Company issued Certificate of Participation for 164 units in the Condotel Project amounting to 37.76 million.

**Equity**

Overall increase of 15% mainly attributed to net income earned during the period.

<b>Performance Indicators</b>	<b>DEC 31. 2023</b>	<b>DEC 31. 2022</b>	
Current Ratio	2.02	1.13	<i>Current ratio is calculated by dividing total current assets over total current liabilities.</i>
Debt Ratio	0.81	0.87	<i>Debt ratio is computed as total liabilities over total assets.</i>
Net Profit Margin	0.08	0.14	<i>Net Profit margin is the result of net income after dividing total revenue</i>
Return on Equity	0.36	0.80	<i>Return on Equity is calculated by dividing net income over total equity.</i>
Return on Assets	0.07	0.12	<i>Return on Assets is computed as net income divided by average total assets</i>

## STATEMENTS OF COMPREHENSIVE INCOME

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

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

	December 31		Change Increase (Decrease)	
	2022	2021	Php	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	<b>₱93,150,373</b>	₱60,507,260	₱32,643,113	54%
Receivables	<b>11,536,941</b>	12,817,984	(1,281,043)	-10%
Due from related parties	<b>4,083,206</b>	-	4,083,206	0%
Inventories	<b>1,673,358</b>	1,164,062	509,296	44%
Other currents assets	<b>1,524,101</b>	5,198,175	(3,674,074)	-71%
Total Current Assets	<b>111,967,979</b>	79,687,481	32,280,498	41%
<b>Noncurrent Assets</b>				
<b>Right-of-use asset</b>				
Property and equipment	<b>577,306</b>	-	577,306	0%
Software cost	<b>383,529</b>	478,161	(94,632)	-20%
Total Noncurrent Assets	<b>960,835</b>	478,161	482,674	101%
	<b>₱112,928,814</b>	₱80,165,642	₱32,763,172	41%
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts and other payables	<b>₱68,078,227</b>	₱41,330,154	₱26,748,073	65%
Contract liabilities	<b>3,200,181</b>	726,507	2,473,674	340%
Due to related parties	<b>27,410,861</b>	35,251,272	(7,840,411)	-22%
Lease liability	-	-	-	0%
Total Liabilities	<b>₱98,689,269</b>	₱77,307,933	₱21,381,336	28%
<b>Equity</b>				
Capital stock	<b>₱400,000</b>	₱400,000	-	0%
Retained earnings (deficit)	<b>13,839,545</b>	2,457,709	11,381,836	463%
Total Equity	<b>14,239,545</b>	2,857,709	11,381,836	398%
	<b>₱112,928,814</b>	₱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 December 31, 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	<i>Current ratio is calculated by dividing total current assets over total current liabilities.</i>
Debt Ratio	0.87	0.96	<i>Debt ratio is computed as total liabilities over total assets.</i>
Net Profit Margin	0.14	0.07	<i>Net Profit margin is the result of net income after dividing total revenue</i>
Return on Equity	0.80	0.88	<i>Return on Equity is calculated by dividing net income over total equity.</i>
Return on Assets	0.12	0.03	<i>Return on Assets is computed as net income divided by average total assets</i>

#### STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31				
	2021	2020	Change Increase (Decrease) Php	%
<b>REVENUE</b>				
Revenue from services				
Rooms	<b>₱34,558,988</b>	₱39,046,904	(₱4,487,916)	-11%
Other operating departments	<b>34,052</b>	23,634	10,418	44%
Miscellaneous	<b>125,802</b>	40,019	85,783	214%
	<b>34,718,842</b>	39,110,557	(4,391,715)	-11%
<b>COST OF SERVICES</b>	<b>12,612,415</b>	13,720,374	(1,107,959)	-8%
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>19,949,628</b>	21,732,724	(1,783,096)	-8%
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	<b>35,191</b>	30,389	4,802	16%
Interest expense	<b>(43,449)</b>	(472,985)	429,536	-91%
Other income	<b>1,197,514</b>	-	1,197,514	100%
	<b>1,189,256</b>	(442,596)	1,631,852	369%
<b>INCOME BEFORE INCOME TAX</b>	<b>3,346,055</b>	3,214,863	131,192	4%
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	<b>834,806</b>	(23,141)	857,947	-3707%
<b>NET INCOME / TOTAL COMPREHENSIVE INCOME</b>	<b>₱2,511,249</b>	₱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 Php21.7million 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	%
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	<b>₱60,507,260</b>	₱7,028,570	₱53,478,690	761%
Receivables	<b>12,817,984</b>	49,988,938	(37,170,954)	-74%
Due from related parties	-	342,737	(342,737)	-100%
Inventories	<b>1,164,062</b>	1,304,449	(140,387)	-11%
Other current assets	<b>5,198,175</b>	3,652,531	1,545,644	42%
<b>Total Current Assets</b>	<b>79,687,481</b>	62,317,225	17,370,256	28%
<b>Noncurrent Assets</b>				
Right-of-use asset	-	1,209,154	(1,209,154)	-100%
Software cost	<b>478,161</b>	593,916	(115,755)	-19%
Deferred tax asset	-	29,219	(29,219)	-100%
<b>Total Noncurrent Assets</b>	<b>478,161</b>	1,832,289	(1,354,128)	-74%
	<b>₱80,165,642</b>	₱64,149,514	₱16,016,128	25%
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts and other payables	<b>₱41,330,154</b>	₱34,198,503	₱7,131,651	21%
Contract liabilities	<b>726,507</b>	712,658	13,849	2%
Due to related parties	<b>35,251,272</b>	27,585,342	7,665,930	28%
Lease liability	-	1,306,551	(1,306,551)	-100%
<b>Total Liabilities</b>	<b>77,307,933</b>	63,803,054	13,504,879	21%
<b>Equity</b>				
Capital stock	<b>400,000</b>	400,000	-	0%
Retained earnings (deficit)	<b>2,457,709</b>	(53,540)	2,511,249	-4690%
<b>Total Equity</b>	<b>2,857,709</b>	346,460	2,511,249	725%
	<b>₱80,165,642</b>	₱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.

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

For approval by the stockholders at the 2024 Annual Stockholders' Meeting

**FORA SERVICES, INC.**  
doing business as Quest Hotel Tagaytay

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS**

Held on 09 November 2023  
via remote communication (through Microsoft Teams)

<b>Stockholders Present / Represented:</b>	<b>No. of Stocks Held</b>
FILINVEST HOSPITALITY CORPORATION ( <i>by proxy</i> )	3,995
Francis Nathaniel C. Gotianun	1
Francis V. Ceballos	1
Ana Venus A. Mejia	1
William Michael V. Valtos, Jr.	1
Nicasio C. Cabaneiro	1
<b>Total No. of Stocks Present/Represented</b>	<b>4,000</b>

**Also Present:**

Maria Victoria Reyes Beltran  
Nancy R. Rivera  
Katrina O. Clemente-Lua  
Jennifer C. Lee

**I. PRESIDING OFFICER AND SECRETARY**

The Chairman of the Board of Directors ("Board") of **FORA SERVICES, INC.** (the "Corporation"), **MR. FRANCIS NATHANIEL C. GOTIANUN**, presided over the meeting, while the Corporate Secretary, **ATTY. KATRINA O. CLEMENTE-LUA**, recorded the minutes thereof.

**II. DETERMINATION OF QUORUM AND CALL TO ORDER**

The Chairman then requested the Corporate Secretary to report on the service of notice of the meeting, and whether there was a quorum at the meeting. The Corporate Secretary confirmed that notice of this meeting had been sent to all stockholders, together with a copy of the Information Statement and the Audited Financial Statements. The said Information Statement was likewise posted on the Company's website.

Based on the online registration and proxies received by the Office of the Corporate Secretary, the Corporate Secretary certified that stockholders owning four thousand shares of stock of the Company, representing 100% of the total issued and outstanding capital stock of the Company as of record date or on 30 September 2023 was present at the meeting.

There being a quorum, the Chairman declared the meeting duly convened and open for business.

### **III. INSTRUCTIONS OF THE RULES AND CONDUCT OF VOTING**

The Chairman noted that while the Company is holding the meeting in virtual format, the Company endeavored to provide the stockholders the opportunity to participate in the meeting to the same extent possible as in an in-person meeting. He then asked the Corporate Secretary to share the rules of conduct and voting procedures for the meeting.

The Corporate Secretary explained that the rules of conduct and voting procedures were set forth in the Definitive Information Statement and in the Explanation of Agenda Items which forms part of the Notice of the Annual Stockholders' Meeting. She highlighted the following points:

1. Stockholders of record as of 30 September 2023 were asked to cast their votes through the submission of proxies to the Office of the Corporate Secretary.
2. The deadline for submission of proxies was on 20 October 2023;
3. After the voting period, the Office of the Corporate Secretary tabulated all the votes cast via proxy;
4. The results of the voting will be reported after each agenda item is taken up during this meeting;
5. The stockholders were also given until 20 October 2023, to submit any questions or comments they may have.

She further informed all the participants of the meeting that there would be a visual and audio recording of the entire proceedings.

### **IV. APPROVAL OF THE MINUTES OF THE LAST ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 21 DECEMBER 2022**

The Chairman inquired if copies of the minutes of the Annual Stockholders' Meeting held on 21 December 2022 were furnished to the stockholders. The Corporate Secretary certified that an electronic copy of the minutes was included in the Information Statement of this year's Annual Stockholders' Meeting and was made available on the Company's website. She reported that the resolution below was approved by at least a majority of the stockholders present or represented in the meeting, viz:

**“RESOLVED**, That the Minutes of the Annual Meeting of the Stockholders of the Company held on 21 December 2022 is hereby approved.”



The votes received for the adoption of the foregoing resolution are as follows:

	<b>Votes in Favor</b>	<b>Percentage of Votes</b>
Approval of the Minutes of the Annual Meeting of Stockholders held on 21 December 2022	3,995	99.98%

#### **IV. PRESENTATION OF THE PRESIDENT’S REPORT**

The President and Chief Executive Officer of the Company, Mr. Francis V. Ceballos presented the Company’s operations for the year ended 31 December 2023 and outlook for the year 2024.

The Chairman thanked the President for his report, then proceeded to the next item in the agenda which was the ratification of the 2023 Audited Financial Statements.

#### **V. RATIFICATION OF THE 2022 AUDITED FINANCIAL STATEMENTS**

The Chairman asked the Corporate Secretary if the stockholders were furnished a copy of the 2023 Audited Financial Statements. The Corporate Secretary responded that an electronic copy of the 2023 Audited Financial Statements was attached to the Information Statement, which was made available to the stockholders and in the website. She reported that the resolution below was approved by at least a majority of the stockholders present or represented in the meeting, viz:

**“RESOLVED**, That the Company’s Audited Financial Statements as of and for the year ended 31 December 2022 be approved, confirmed and ratified.”

The votes received for the adoption of the foregoing resolution are as follows:

	<b>Votes in Favor</b>	<b>Percentage of Votes</b>
Ratification of the 2022 Audited Financial Statements	3,995	99.98%

#### **VI. RATIFICATION OF ALL THE ACTS, RESOLUTIONS, AND PROCEEDINGS, OF THE BOARD OF DIRECTORS AND MANAGEMENT UP TO 09 NOVEMBER 2023**

The next item in the agenda was the ratification of all the acts, resolutions and proceedings of the Board, and Management from the date of the last Annual Stockholders’ Meeting until 09 November 2023, a summary of which was included in the Information Statement sent to all the stockholders of record prior to the Annual

Stockholders' Meeting. The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders present or represented in the meeting, viz:

**“RESOLVED**, That all the acts, resolutions and proceedings of the Board of Directors, and Management from the date of the last Annual Stockholders' Meeting until 9 November 2023 are hereby approved, confirmed and ratified.”

The votes received for the adoption of the foregoing resolution are as follows:

	<b>Votes in Favor</b>	<b>Percentage of Votes</b>
Ratification of all the Acts, Resolutions, and Proceedings of the Board of Directors and Management up to 09 November 2023	3,995	99.98%

## **VII. ELECTION OF DIRECTORS**

The Chairman announced that the next item in the Agenda was the election of five (5) directors, including two (2) independent directors of the Company for the year 2023 to 2024. As requested by the Chairman, the Corporate Secretary announced the names of the persons nominated for election as directors and independent directors of the Company and who were pre-screened by the Corporate Governance Committee, convened as the Nominations Committee, in accordance with the Company's Manual on Corporate Governance and Amended By-Laws, viz:

**Directors:**

1. Mr. Francis Nathaniel C. Gotianun
2. Mr. Francis V. Ceballos
3. Ms. Ana Venus A. Mejia

***Independent Directors:***

4. Atty. Nicasio C. Cabaneiro
5. Mr. William Michael V. Valtos, Jr.

The Corporate Secretary reported that the resolution below was approved by at least a majority of the stockholders present or represented in the meeting, viz:

**“RESOLVED**, That the following persons are hereby declared as duly-elected directors of the Company, to serve for a term of one (1) year or until their successors shall have been elected and qualified in accordance with the By-Laws of the Company:

1. Mr. Francis Nathaniel C. Gotianun

2. Mr. Francis V. Ceballos
3. Ms. Ana Venus A. Mejia

*Independent Directors:*

4. Atty. Nicasio C. Cabaneiro
5. Mr. William Michael V. Valtos, Jr.

The votes received by each of the nominees are presented below:

Names of Nominees	Votes in Favor	Percentage of Votes
Francis Nathaniel C. Gotianun	3,995	99.98%
Francis V. Ceballos	3,995	99.98%
Ana Venus A. Mejia	3,995	99.98%
Nicasio C. Cabaneiro	3,995	99.98%
William Michael V. Valtos, Jr.	3,995	99.98%

**VIII. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR**

The Chairman announced the next item in the Agenda which was the appointment of an independent external auditor. He stated that the Company’s Audit and Risk Management Oversight Committee and the Board have endorsed the re-appointment of the auditing firm of SyCip Gorres Velayo & Company as the Company’s external auditor for the year 2023, as follows:

**“RESOLVED**, That the accounting firm of SyCip Gorres Velayo and Co. (SGV & Co.) be approved for reappointment as the Company’s external auditor for the year 2023.”

The votes received for the adoption of the foregoing resolution are as follows:

	Votes in Favor	Percentage of Votes
Appointment of SyCip Gorres Velayo & Co. (SGV & Co.) as External Auditor	3,995	99.98%

**IX. ADJOURNMENT**

There being no further business to transact, and upon motion made and duly seconded, the meeting was thereupon adjourned.

CERTIFIED CORRECT:

**KATRINA O. CLEMENTE-LUA**  
Corporate Secretary

ATTESTED BY:

**FRANCIS NATHANIEL C. GOTIANUN**  
Chairman of the Board

File No. 1.91.3  
Minutes-FOSI-Annual SH-09 November 2023/Tess