

COVER SHEET

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S.E.C. Registration Number

F O R A S E R V I C E S , I N C .

(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

Definitive 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 **Thursday, 9 November 2023**, at **1:00 P.M.**, *via* remote communication (Microsoft Teams) in accordance with the Securities and Exchange Commission Memorandum Circular (SEC MC) 06-2020.

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 19 December 2022
- IV. President’s Report
- V. Ratification of the 2022 Audited Financial Statements
- VI. Ratification of all acts of the Board of Directors, and Management, from the date of last annual stockholders’ meeting up to 9 November 2023
- VII. Election of Directors
- VIII. Appointment of External Auditor
- IX. Other Matters
- X. Adjournment

In compliance with SEC Memorandum Circular 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 September 2023 shall be entitled to vote at this meeting. Stockholders who wish to vote by proxy shall submit the same on or before 20 October 2023 to the Office of the Corporate Secretary, located at Filinvest Building, 79 EDSA, 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 03 October 2023.

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 2022 Audited Financial Statements will be made available and sent to its stockholders no later than 16 October 2023. Pursuant to SEC Memorandum Circular No. 6, Series of 2020, please be informed that there will be a visual and audio recording of the meeting.

Please be guided accordingly.

A handwritten signature in blue ink, appearing to read "K. Lua", is positioned above the printed name of the Corporate Secretary.

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: **09 November 2023**

Time: **1:00 p.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 16 October 2023

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
TOTAL	164		Php37,756,700

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 2023 is scheduled on **09 November 2023, 1:00 p.m.** through a virtual meeting held via Microsoft Teams. The presiding officer shall call and preside 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 **16 October 2023**.

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 **09 November 2023** 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 **15 September 2023**, 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 September 2023**. Stockholders of record as of 30 September 2023 may only attend the meeting by remote communication, 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 September**

2023 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 **15 September 2023** 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	Filinvest Hospitality Corporation 8 th 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 **15 September 2023**, 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 **15 September 2023** 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.	Katrina O. Clemente-Lua	0	Filipino	N.A.
N.A.	Jennifer C. Lee	0	Filipino	N.A.

Total ownership of all directors and officers as a group as of **15 September 2023** 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.

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.

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 2022 is as follows:

Directors	No. of Board Meetings Held	No. of Board Meetings Attended	Percent Present
Francis Nathaniel C. Gotianun	8	2	100% *
Francis V. Ceballos	8	2	100% *
Ana Venus A. Mejia	8	2	100% *
Nicasio C. Cabaneiro (Independent Director)	8	1	100% **
William Michael V. Valtos, Jr. (Independent Director)	8	1	100% **

*After his/her election as director, there were two (2) remaining meetings of the Board for year 2022.

** After his election as independent director, there was only one (1) remaining meeting of the Board for year 2022.

The following are the current directors and senior executive officers of FOSI:

<p>Francis Nathaniel C. Gotianun <i>Chairman of the Board</i></p>	<p>Mr. Gotianun, Filipino, 40, 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 CEO of The Palms Country Club, Inc. He also serves as a Director of Filinvest Land, Inc. ("FLI") and Filinvest REIT Corp. ("FILRT") which are both publicly-listed companies. He obtained his Bachelor of Science (Major in Commerce – International Business and Marketing) from McIntire School of Commerce, University of Virginia.</p>
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	Charlottesville, VA in 2005 and his Master's Degree from IESE, Barcelona, Spain in 2010.
Francis V. Ceballos <i>Director, President and CEO</i>	Mr. Ceballos, 57, Filipino, was elected as the Company's Director, President and CEO on 11 November 2022. He is currently the Senior Vice President – Head of Industrial and Logistics Business of FLI, and a Director of Filinvest BCDA Clark, Inc., Timberland Sports and Nature Club, Inc., and FCGC Corporation. He was previously connected with Landco Pacific Corporation as Executive Vice President and Chief Operating Officer, Metro Drug, Inc. as a Management Trainee, and a faculty member at Sacred Heart School for Boys – Cebu. He obtained his Bachelor of Science in Management Engineering Degree in the Ateneo De Manila University and his Master's in Business Management degree in Asian Institute of Management.
Ana Venus A. Mejia <i>Director</i>	Ms. Mejia, 57, Filipino, was elected as the Company's Director on 11 November 2022. She is currently the Executive Vice-President and CFO of FLI, and was previously the Senior Vice President and CFO of Filinvest Alabang, Inc. and Assistant Vice President of Festival Supermall, Inc. She obtained her Bachelor of Science in Business Administration Major in Accounting degree in Pamantasan ng Lungsod ng Maynila and her Master's in Business Administration degree in Northwestern University and The Hong Kong University of Science and Technology.
William Michael V. Valtos, Jr. <i>Independent Director</i>	Mr. Valtos, 62, 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.
Nicasio C. Cabaneiro <i>Independent Director</i>	Atty. Cabaneiro, 76, Filipino, was elected as the Company's Independent Director on 21 December 2022. He is concurrently an independent director of FREIT Fund Managers, Inc., as well as a Professor and Pre-Bar Reviewer in San Beda College and Arellano

	<p>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>Nancy R. Rivera <i>Treasurer and CFO</i></p>	<p>Ms. Rivera, 60, 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 Filinvest Development Corporation. She was previously connected with Goodyear Philippines, Inc. as Financial Controller, Cargill Philippines, Inc. as Tax and Accounting Manager, Manila Mandarin Hotel as Assistant Financial Controller, Texas Instruments Philippines, Inc. as Internal Auditor, and Price Waterhouse Coopers Philippines as Senior Audit Manager. She obtained her Bachelor of Science in Business Administration Major in Accounting degree from University of the East, Manila.</p>
<p>Katrina O. Clemente-Lua <i>Corporate Secretary</i></p>	<p>Atty. Clemente-Lua, 40, Filipino, was appointed as the Company's Corporate Secretary on 21 December 2022. She was previously appointed as FOSI's Assistant Corporate Secretary on 23 March 2022. She is also the current Corporate Secretary of FLI and 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 & 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>Jennifer C. Lee <i>Assistant Corporate Secretary</i></p>	<p>Atty. Lee, 38, 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 & 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 on 21 December 2022, are as follows:

Executive Committee	Chairman: Francis Nathaniel C. Gotianun Members: Francis V. Ceballos Ana Venus A. Mejia
Audit & Risk Management Oversight Committee	Chairman: Nicasio C. Cabaneiro (Independent Director) Members: Ana Venus A. Mejia (Non-executive director) 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 his successor 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. The deadline for submission of nominees was on 3 October 2023.

The Corporate Governance Committee, acting as the Nominations Committee, created under the Company’s Manual on Corporate Governance (the “Manual”) endorsed 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 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 Securities and Exchange Commission 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.

Nominated Directors for 2023-2024

The Corporate Governance Committee, which convened as the Nominations Committee, has determined that the following individuals possess all the qualifications and none of the disqualifications for directorship set out in the Company's Manual on Corporate Governance and SEC Memorandum Circular No. 09, Series of 2011, as amended by SEC Memorandum Circular No. 04, Series of 2017. The list of the nominees for directors as determined by the Corporate Governance Committee shall be final and no other nominations shall be entertained or allowed after the final list of nominees is prepared.

Below is the final list of candidates prepared by the Corporate Governance Committee and the following individuals have been nominated for re-election as directors, including independent directors at the Annual Stockholders' Meeting to be held on 09 November 2023:

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

4. Mr. William Michael V. Valtos, Jr. (Independent Director)
5. Atty. Nicasio C. Cabaneiro (Independent Director)

The qualifications of the above nominees for the Board of Directors are discussed in pages 6 to 8 of this Information Statement.

Independent Directors

Upon nomination by Mr. Francis Nathaniel C. Gotianun and following the guidelines provided under the Company's Manual on Corporate Governance, named Mr. William Michael V. Valsto Jr. and Atty. Nicasio C. Cabaneiro as nominees for election as independent directors for this year's annual meeting. Mr. Francis Nathaniel C. Gotianun is not related, whether by affinity or consanguinity, to any of these nominees.

Copies of the Certifications on the Qualifications of the Nominees for Independent Directors are attached hereto as **Annexes "B" and "B-1"**.

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 receding 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 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-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 2021, 2022, and projected for 2023:

Name and Principal Position	Year	Salary (₱)	Bonus (₱)	Other Annual Compensation (₱)	Total (₱)
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)	2023 Estimated	-	-	-	-
Francis Nathaniel C. Gotianun (Chairman of the Board) Francis V. Ceballos (President/CEO) Nancy R. Rivera (Treasurer/CFO)	2022	-	-	-	
Lourdes Josephine Gotianun Yap (Chairperson of the Board/President) Francis Nathaniel C. Gotianun (SVP – Hotels & Resorts) Michael Edward T. Gotianun (Treasurer)	2021	-	-	-	-
All officers and directors as a group unnamed	2023 Estimated	-	-	-	-
	2022	-	-	-	-
	2021	-	-	-	-

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 9 November 2023 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 December 31, 2022 are discussed under Note 11 of the Company’s 2022 Audited Financial Statements, herein attached as **Annex “C”**.

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 Php246,400.00 and Php86,240.00 for the years 2022 and 2021, 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 2022 is attached herewith as **Annex "C"**.

The Interim/Unaudited Financial Statements of the Company for the period ended 30 June 2023 is attached herewith as **Annex "D"**.

(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 "E"**.

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

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

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

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

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

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

The construction of the Condotel was completed on September 2019.

D. OTHER MATTERS

Item 15. Action With Respect To Reports

1. Approval of the minutes of the annual meeting of stockholders held on 21 December 2022;

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 "F"** 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 Chief Executive Officer, Mr. Francis V. Ceballos, will report on the Company's 2022 performance and the outlook for 2023.

3. Ratification of the Audited Financial Statements for the year ended 31 December 2022

Rationale: To apprise the stockholders of the financial results of the Company's operations in 2022.

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 2022. The Company's Audited Financial Statements for the year ended 31 December 2022 is attached herewith as **Annex "C"** and will be made available on the Company website.

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 acts of the Board of Directors and Officers include -

- (a) Appointment of the members of the board committees
 - (b) Appointment of officers
 - (c) Appointment of authorized representatives and signatories for applications for government registration, clearance, permits and licenses
 - (d) Authority to register and/or renew the registration of its Data Protection Officer and its Data Processing Systems
 - (e) Approval of Corporation's 2022 Audited Financial Statements
 - (f) Approval of the schedule of Board and Board Committee meetings for 2023
 - (g) Approval of the date of annual stockholders' meeting, record date, the agenda of the meeting, the guidelines for the conduct of annual stockholders' meeting
 - (h) Approval of the Manual on Corporate Governance
2. Election of the members of the Board of Directors, including two (2) Independent Directors to serve for the year 2023-2024; 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 2023 to 2024.

The Corporate Governance Committee, which convened as the Nominations Committee, evaluated 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 21 December 2022, the ratification of the audited financial statements for the year ended 2022, the ratification of corporate acts, the election of the directors, the appointment of external auditor for 2023, 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 September 2023 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 20 October 2023;
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 20 October 2023 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 2023-2024.

(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

To ensure the safety and welfare of its stockholders, directors, officers and employees, 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 on or before 16 October 2023.

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 substantial 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 30 September 2023, viz:

Class	No. of CPs per Class	No. Of Sold CPs	No. of Unsold CPs
Studio 23	63	55	8

Studio 27	61	56	5
Studio 29	18	16	2
Suite 44	18	17	1
Suite 54	4	4	0
Total	164	148	16

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, Assistant Corporate Secretary, at the Filinvest Building, 79 EDSA, Highway Hills, Mandaluyong City 1550, Metro Manila. The Financial Statements shall also be made 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 11th day of October 2023.

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 2023.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of October 2023 in Mandaluyong City, Metro Manila.

K. O. C.

KATRINA O. CLEMENTE-LUA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this 2nd day of October 2023 in Mandaluyong City, Metro Manila, affiant exhibiting to me her Philippine Passport No. P2463944B, bearing her photograph and signature, issued by Department of Foreign Affairs - NCR - South, and valid until 05 July 2029.

Doc. No. 892 ;
Page No. 72 ;
Book No. 39 ;
Series of 2023.

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

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **NICASIO C. CABANEIRO**, Filipino, of legal age and with address at 45 Visayas Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee as Independent Director of **FORA SERVICES, INC. doing business as Quest Hotel Tagaytay**.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
San Beda College	Professor; Pre-Bar Reviewer in Taxation	November 1974 to present
Arellano Law Foundation	Professor; Pre-Bar Reviewer in Taxation	November 1974 to present
FREIT Fund Managers, Inc.	Independent Director	November 2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of For a Services, Inc. doing business as Quest Hotel Tagaytay as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A , pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

NCC

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Fora Services, Inc. doing business as Quest Hotel Tagaytay of any changes in the above-mentioned information within five days from its occurrence.

Done, this OCT 1 1 2023 at Mandaluyong City.


NICASIO C. CABANEIRO
Affiant

SUBSCRIBED AND SWORN to before me this OCT 1 1 2023 at Mandaluyong City, affiant exhibiting to me as competent evidence of his identity, Driver's License No. N11-80-039384, bearing his photograph and signature, issued by Land Transportation Office, and valid until 31 January 2033.

Doc. No. 211 ;
Page No. 46 ;
Book No. 41 ;
Series of 2023.

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

ANNEX "B-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILLIAM MICHAEL V. VALTOS, JR.**, Filipino, of legal age and with address at 8 Tangile Road, North Forbes Park, Makati City, after having been duly sworn in accordance with the law do hereby declare that:

1. I am a nominee as Independent Director of **FORA SERVICES, INC. doing business as Quest Hotel Tagaytay**.
2. I was affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Investree Philippines Inc.	Independent Director	2020-Present
FREIT Fund Managers, Inc.	Independent Director	2021-Present
Phizzle Inc	Director	2020-Present
Transwealth Fleet Management Corp/Transwealth Parking Services Corp	Director, Treasurer	2020-Present
Philweb Corporation	Director	2017-Present
Eton Finance Services Ltd	Director	2019-Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Fora Services, Inc. doing business as Quest Hotel Tagaytay as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following directors/officers/substantial shareholders of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/Officer/ Substantial Shareholder	Company	Nature of Relationship
N/A		

5. I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

Offense Charged/ Investigated	Tribunal or Agency Involved	Status
N/A		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the N/A to be an independent director in N/A, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Fora Services, Inc. doing business as Quest Hotel Tagaytay of any changes in the above-mentioned information within five days from its occurrence.

Done, this OCT 11 2023 at Mandaluyong City.


WILLIAM MICHAEL V. VALTOS, JR.
Affiant

SUBSCRIBED AND SWORN to before me this OCT 11 2023 at Mandaluyong City, affiant exhibiting to me as competent evidence of his identity, Passport ID No. P3956607B, bearing his photograph and signature, issued by Department of Foreign Affairs NCR-West, and valid until 24 November 2029.

Doc. No. 223 ;
Page No. 46 ;
Book No. 41 ;
Series of 2023.

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

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

FS FOR FILING WITH SEC

**AFTER THE BIR HAS DULY
STAMPED "RECEIVED."**

SEC Registration Number

C	S	2	0	1	8	1	8	3	3	9
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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	
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C	a	v	i	t	e																								

Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, if Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

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.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of **FORA SERVICES, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2022 and 2021 and for each of the three years, in the period ended December 31, 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

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



FRANCIS NATHANIEL C. GOTIANUN

Chairman

FRANCIS V. CEBALLOS

President/ CEO



NANCY R. RIVERA

Treasurer and CFO

Signed this 3rd day of March 2023

QUESTHOTELSANDRESORTS.COM/TAGAYTAY

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 118546-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

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

PTR No. 9564692, January 3, 2023, Makati City

March 3, 2023



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

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

See accompanying Notes to Financial Statements.



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

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

See accompanying Notes to Financial Statements.



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

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

See accompanying Notes to Financial Statements.



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

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

See accompanying Notes to Financial Statements.



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.

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

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

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

Approval of the Financial Statements

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

2. Summary of Significant Accounting Policies

Basis of Preparation

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

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

Statement of Compliance

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

Adoption of New and Amended Accounting Standards and Interpretations

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



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

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

Future Changes in Accounting Policies

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

Effective beginning on or after January 1, 2023

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

Effective beginning on or after January 1, 2024

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

Significant Accounting Policies

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

Current versus Noncurrent Classification

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

An asset is current when it is:

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



All other assets are classified as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities as noncurrent.

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

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

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



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

'Day 1' difference

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

Financial Instruments

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

Recognition and Measurement of Financial Instruments

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

Financial assets

Initial recognition and measurement

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

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

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

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



Subsequent measurement

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

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

Financial assets at amortized cost

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

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

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

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

Reclassification of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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



Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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

Impairment of Financial Assets

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

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

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset is derecognized when:

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



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

Financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the statement of financial position.

Inventories

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

Other Current Assets

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

Prepaid expenses

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

VAT

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

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



Creditable VAT

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

Advances to suppliers

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

Property and Equipment

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

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

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

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

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

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

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

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



Software Costs

Software acquired separately is measured on initial recognition at cost. Following initial recognition, capitalized software is carried at cost less accumulated amortization and any accumulated impairment losses. The capitalized software is amortized on a straight-line basis over its estimated useful life of five years.

Impairment of Nonfinancial Assets

The Company assesses at each financial reporting date whether there is an indication that its nonfinancial (e.g., property and equipment and software costs) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGUs) fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is charged to operations in the year in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

Equity

Capital stock

Capital stock is measured at par value for all shares issued.

Retained earnings (Deficit)

Retained earnings (deficit) represents the accumulated net income (losses) of the Company and stock issuance costs.

Revenue Recognition

The Company primarily derives its revenue from room related services and other operating departments. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has generally concluded that it is acting as principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Rooms

Revenue from rooms is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.



Other operating departments

Revenue from other operating departments is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Income from insurance claim

Income from insurance claim is recognized when receipt is virtually certain or upon acceptance of the settlement offer from insurance company.

Interest income

Interest income is recognized as it accrues taking into account the effective yield on the asset.

Other income

Other income consists of smoking fees, forfeiture of unclaimed deposits and others. This is recognized over the time the related services are rendered and/or facilities and amenities are used.

Contract Balances

Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

The contract liabilities also include payments received by the Company from the customers for which revenue recognition has not yet commenced. Accordingly, funds deposited by customers before event/service occurs (guest deposits) are recorded as contract liabilities until services are provided or goods are delivered.

Costs and Expenses Recognition

Direct costs and operating expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or decrease of liabilities. Direct costs and operating expenses encompass losses as well as those expenses that arise in the course of ordinary activities of the Company. Direct costs are charged to statement of comprehensive income when related revenue is recognized, while operating expenses are recognized when incurred. These are measured at the amount paid or payable.

Cost of sales and services

Cost of sales and services pertain to expenses incurred in relation to sale of goods and rendering of services. These are recognized when incurred and measured at the amount paid or payable.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Company as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease payments on leases of low-value assets are recognized as expense in the statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease expense. Contingent rents are recognized as expense in the period in which they are incurred.

Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in the profit or loss for the year in accordance with PFRS. The Company has no OCI item in 2022 and 2021.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with some exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognized in other comprehensive income or directly in equity is also recognized in other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment Reporting

The Company's operating businesses are organized and managed according to the nature of the products and services provided. The Company has determined that it is operating as one operating segment as of and for the years ended December 31, 2022 and 2021 (see Note 16).



Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Company expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provides additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. **Significant Accounting Estimates and Assumption**

The preparation of the Company's financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management's Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and within the next financial year are discussed below:

Evaluation of impairment of receivables

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.



The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., inflation and lending rate) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future.

As of December 31, 2022 and 2021, the carrying value of receivables amounted to ₱11.54 million and ₱12.82 million, respectively. There is no provision for ECL recognized in 2022, 2021 and 2020 (see Note 5).

Estimation of NRV of inventories

Inventories are valued at the lower of cost or NRV. To determine the NRV, the Company is required to make estimate of the inventories' estimated selling price in the ordinary course of business and costs necessary to make a sale. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. The amount and timing of recorded expenses for any period would differ if different judgment were made or different estimates were utilized.

In 2022, 2021 and 2020, there is no allowance for inventory write-down recognized since the Company has determined that the NRV of inventories is higher than its cost. As of December 31, 2022 and 2021, total inventories carried at cost amounted to ₱1.67 million and ₱1.16 million, respectively (see Note 6).

4. Cash and Cash Equivalents

This account consists of

	2022	2021
Cash on hand	₱1,416,388	₱1,428,526
Cash in banks (Note 11)	26,204,446	29,078,734
Cash equivalents (Note 11)	65,529,539	30,000,000
	₱93,150,373	₱60,507,260

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are made for varying periods up to 3 months and earns interest at the prevailing short-term investment rate of 3.75% to 4.00% and 0.25% in 2022 and 2021, respectively.

Interest income earned from cash and cash equivalents amounted to ₱0.82 million, ₱0.04 million and ₱0.03 million in 2022, 2021 and 2020, respectively (see Note 11).

There are no restrictions on the Company's cash and cash equivalents as of December 31, 2022 and 2021.



5. Receivables

This account consists of:

	2022	2021
Contract receivables:		
Corporate, travel agency and individuals	₱7,989,741	₱9,089,518
Guest ledger	1,121,267	2,501,949
Credit cards	1,773,214	953,240
Others	652,719	273,277
	₱11,536,941	₱12,817,984

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

In 2022 and 2021, the Company entered into agreements with government agencies as a multiple use facility and as a COVID-19 quarantine facility, respectively. Receivables from these agreements amounted to ₱9.37 million as of December 31, 2021 (nil as of December 31, 2022).

Guest ledger pertains to receivables from in-house guests and are collectible once the guest checks out from the hotel.

Credit cards pertain to receivables from banks for sales settled through credit cards and are usually collectible within three (3) to five (5) days from transaction date.

Others pertain to advances to employees and other reimbursables subject to liquidation.

6. Inventories

This account consists of:

	2022	2021
Supplies	₱1,429,592	₱967,414
Fuel	243,766	196,648
	₱1,673,358	₱1,164,062

Supplies include guest, engineering, cleaning and other operating supplies used to assist in day-to-day operations of the Company.

Fuel pertains to fuel and oils used in the day-to-day operations.

The cost of inventories recognized as part of "Cost of services" in the statement of comprehensive income amounted to ₱2.66 million, ₱0.81 million and ₱0.84 million in 2022, 2021 and 2020, respectively (see Note 12).



7. Other Current Assets

This account consists of:

	2022	2021
Advances to suppliers and employees	P819,763	P750,057
Prepaid expenses	245,618	735,148
Creditable withholding taxes	449,520	3,128,024
Prepaid tax	-	584,946
Security deposits	9,200	-
	P1,524,101	P5,198,175

Advances to employees refer to advances for travel, mailing expenses and other expenses arising from ordinary course of business. These are liquidated within seven days after actual use of the advances.

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

Creditable withholding taxes are the taxes withheld by the withholding agents from payments to the sellers which are creditable against the future income tax payable.

Prepaid tax pertains to overpayment of current income tax.

8. Property and Equipment and Software Costs

Property and equipment

The rollforward analysis of this account follows (nil as of December 31, 2021):

	December 31, 2022		
	Machineries, Tools and Equipment	Computer Equipment	Total
Cost			
At beginning of period	P-	P-	P-
Additions	456,007	256,696	712,703
At end of period	456,007	256,696	712,703
Accumulated Depreciation			
At beginning of period	-	-	-
Depreciation (Note 13)	102,101	33,296	135,397
At end of period	102,101	33,296	135,397
Net Book Values	P353,906	P223,400	P577,306

The Company's property and equipment are not pledged or used as collateral to secure any obligation as of December 31, 2022 and 2021.

Software cost

This account pertains to the software cost for timekeeping system and front office management system purchased by the Company.



The rollforward analysis of this account follows:

	2022	2021
Cost		
Balances at beginning of year	₱675,499	₱593,916
Additions	130,534	81,583
Balances at end of year	806,033	675,499
Accumulated Amortization		
Balances at beginning of year	197,338	-
Amortization	225,166	197,338
Balances at end of year	422,504	197,338
Net Book Value	₱383,529	₱478,161

9. Accounts and Other Payables

This account consists of:

	2022	2021
Trade payables	₱18,031,830	₱9,346,018
Accrued expenses (Note 11)	44,391,933	23,156,863
Taxes payable	4,105,075	7,327,732
Wages and employee related payables	1,549,389	1,499,541
	₱68,078,227	₱41,330,154

Trade payable consists of payables to suppliers and service providers for various acquisitions of goods and services used in the operations of the Company. These are normally settled on a 30-day term. In 2021, the Company written-off payables amounting to ₱1.20 million. This was presented as part of Other income in the statement of comprehensive income (nil in 2022 and 2020).

Accrued expenses represent accruals on rent, telephone, light and water, security services and other expenses that are normally settled on a 30-day term upon receipt of billing.

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

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

10. Contract Liabilities

Contract liabilities pertain to advance or partial payments received from guests to guarantee reservations. This represents the obligation to provide services to the customer for which the Company has received consideration. These are guest deposits which are expected to be recognized as revenue when the event has taken place or refunded to the customers upon cancellation.



The following summarizes the activities related to contract liabilities with customers as of December 31:

	2022	2021
Balances at beginning of year	₱726,507	₱712,658
Additions	5,750,282	568,560
Recognized as revenue	(3,276,608)	(554,711)
Balances at end of year	₱3,200,181	₱726,507

11. Related Party Transactions

The Company has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decision or the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Affiliates are entities under common control of the Parent Company, FDC and ALGI.

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, interest-free and require settlement in cash, unless otherwise stated. There have been no guarantees provided or received for any related party receivables or payables. As of December 31, 2022, 2021 and 2020, the Company has not made any provision for ECL relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The amounts and balances from the significant related party transaction follows:

		2022		Terms	Conditions
		Amount/ Volume	Outstanding balance		
<i>Cash and cash equivalents</i>					
<i>Affiliate</i>					
a.	Cash and cash equivalents (Note 4)	₱31,949,406	₱85,306,903	Interest-bearing at prevailing market rate	Unrestricted
	Interest income	799,652	-	-	-
<i>Due to related parties</i>					
b.	Parent Company	(₱176,017)	(₱228,938)	Noninterest-bearing; due and demandable	Unsecured
c.	Filinvest Land, Inc. (FLI)	1,672,707	(17,445,410)	Noninterest-bearing; due and demandable	Unsecured
d.	Fora Restaurants, Inc. (FRI)	1,552,452	(5,065,588)	Noninterest-bearing; due and demandable	Unsecured
e.	Chroma Hospitality, Inc. (CHI)	(689,524)	(1,676,772)	Noninterest-bearing; due and demandable	Unsecured
f.	Entrata Hotel Services, Inc. (EHSI)	260,051	(120,264)	Noninterest-bearing; due and demandable	Unsecured
g.	Corporate Technologies, Inc. (CTI)	5,220,741	(2,873,889)	Noninterest-bearing; due and demandable	Unsecured
		(₱27,410,861)			

(Forward)



		2022			
		Amount/ Volume	Outstanding balance	Terms	Conditions
<i>Due from related parties</i>					
h.	FRI	₱4,061,943	₱4,061,943	Noninterest-bearing; due and demandable	Unsecured
h.	CHI	21,263	21,263	Noninterest-bearing; due and demandable	Unsecured
		₱4,083,206			
<i>Accrued expenses</i>					
c.	FLI (Rent)	₱9,226,418	(₱9,226,418)	Noninterest-bearing; 30-day term upon receipt of billing	Unsecured
		₱4,083,206			
		2021			
		Amount/ Volume	Outstanding balance	Terms	Conditions
<i>Cash and cash equivalents</i>					
<i>Affiliate</i>					
a.	Cash and cash equivalents (Note 4)	₱47,120,750	₱53,357,497	Interest-bearing at prevailing market rate	Unrestricted
	Interest income	34,759	-	-	-
<i>Due to related parties</i>					
b.	Parent Company	₱52,921	(₱52,921)	Noninterest-bearing; due and demandable	Unsecured
c.	Filinvest Land, Inc. (FLI)	(1,142,807)	(19,118,117)	Noninterest-bearing; due and demandable	Unsecured
d.	Fora Restaurants, Inc. (FRI)	6,618,040	(6,618,040)	Noninterest-bearing; due and demandable	Unsecured
e.	Chroma Hospitality, Inc. (CHI)	907,874	(987,249)	Noninterest-bearing; due and demandable	Unsecured
f.	Entrata Hotel Services, Inc. (EHSI)	300,940	(380,315)	Noninterest-bearing; due and demandable	Unsecured
	Property Specialist Resources, Inc. (PSRI)	(39,750)	-	Noninterest-bearing; due and demandable	Unsecured
g.	Corporate Technologies, Inc. (CTI)	1,762,384	(8,094,630)	Noninterest-bearing; due and demandable	Unsecured
		(₱35,251,272)			
<i>Lease liability</i>		(₱1,306,551)	₱-	-	-
<i>Due from related parties</i>					
f.	Parent Company	(₱3,648)	₱-	-	-
h.	FRI	(330,468)	-	-	-
h.	EHSI	(8,621)	-	-	-
		₱-			

Significant transactions with related parties are as follows:

- a. The Company maintains cash and cash equivalents with East West Banking Corporation, an entity under common control with FDC.
- b. FHC advanced the Company's costs for incorporation, taxes and licenses and other costs incurred on its pre-opening period.



- c. In 2022, the Company entered into an agreement with FHC, wherein the Company is annually charged with admin fee equivalent to one percent (1%) of the Company's gross operating revenue for receiving various administrative functions. The agreement has a term of one (1) year and automatically renewable every year for a similar term unless terminated by either party. As of December 31, 2022 balance due to parent amounted to ₱0.22 million.
- d. In 2019, FLI, an affiliate, advanced the Company's funding to support its pre-operations and initial working capital to support its operations.

Rental

In 2019, the Company entered into a lease agreement with FLI for the lease of space in Quest Hotel for the purpose of the hotel and related operations. The contract pertains to leased premises which consist of hotel rooms owned by FLI. The lease commences beginning April 1, 2019 until March 31, 2021, subject to automatic renewal for a similar term unless terminated by either party.

The Company agreed to pay variable lease payments equivalent to the Company's net income less outstanding receivables. In 2022, the Company and FLI confirmed that the composition of condotel revenue considered in the net income computation per its lease agreement to exclude proceeds from insurance claims earmarked for refurbishment, income generating activities from use of function rooms, parking fees and food and beverage operations, among others. In 2022, the Company incurred rent expense amounting to ₱9.23 million (nil in 2021 and 2020).

- e. FRI, an affiliate, charges its revenue from food and beverage to the Company as part of the guest's bill upon bill-out.
- f. In July 2018, the Company entered into a management service agreement (the "Agreement") with CHI, an entity jointly controlled by FDC, whereby CHI provides technical services to the Company with regard to the development and establishment of the hotel during the stages of feasibility, conceptualization, design and construction, and fit-out.
- g. EHSI, an affiliate, charges the Company for intercompany expenses.
- h. CTI, an affiliate, charges the Company for telecommunication and IT solutions expenses.

The Company entered into a lease agreement with CTI for the supply of network equipment and implementation services. This contract is effective until September 30, 2021. In 2021, the depreciation of the related right-of-use assets, presented under general and administrative expense in the statement of comprehensive income amounted to ₱1.21 million (nil in 2022; see Note 13). Interest expense related to lease liability recognized amounted to ₱0.04 million and ₱0.47 million in 2021 and 2020, respectively (nil in 2022).

- i. The Company charges FHC, FRI, EHSI and CHI for intercompany expenses.

Compensation of key management personnel

Compensation of key management personnel of the Company consists of employee salaries and benefits amounting to ₱2.99 million, ₱1.23 million and ₱1.26 million in 2022, 2021 and 2020, respectively.



12. Cost of Services

This account consists of:

	2022	2021	2020
Utilities	₱12,072,534	₱5,354,218	₱7,188,689
Rental (Note 11)	9,226,418	–	–
Salaries and wages	7,384,792	3,850,652	3,071,786
Commission	3,357,650	2,621	339,503
Operating supplies (Note 6)	2,664,906	805,521	841,605
Linens	2,566,677	–	–
Laundry	2,388,157	661,793	510,137
E-commerce fee	1,460,820	671,941	154,062
Spa services	567,075	–	9,000
Telecommunication	390,068	203,585	844,828
Travel and transportation	480,209	146,516	126,737
Contracted services	114,375	326,424	105,000
Others	1,352,643	589,144	529,027
	₱44,026,324	₱12,612,415	₱13,720,374

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

13. General and Administrative Expenses

This account consists of:

	2022	2021	2020
Salaries, wages and benefits	₱6,450,504	₱4,729,010	₱4,227,782
Corporate office reimbursable	3,478,024	100,710	46,200
Repairs and maintenance	2,921,120	1,359,448	397,197
Management fees	2,307,833	883,561	3,653,190
Security services	2,184,558	1,296,383	1,479,194
E-commerce fee	1,794,354	812,678	1,737,545
System costs	1,696,475	2,182,815	941,046
Telecommunication	1,420,925	1,141,615	320,393
Travel and transportation	1,819,484	1,763,683	236,975
Credit card service fee	1,321,101	–	–
Insurance premium	1,131,853	1,095,600	988,714
Contracted services	1,071,438	–	18,503
Administrative fee	823,389	–	–
Sales office expenses	630,145	545,256	1,441,909
Representation and entertainment	460,756	–	–
Depreciation and amortization (Notes 8 and 11)	360,563	1,406,492	3,224,412
Taxes and licenses	315,082	622,458	331,076
Professional fees	252,925	204,000	120,000
Office and cleaning supplies	132,208	61,479	108,762
Rental (Note 11)	–	–	450,000
Others	2,442,628	1,744,440	2,009,826
	₱33,015,365	₱19,949,628	₱21,732,724



Others include recruitment and training expenses, medical expenses, postage and mailing charges, printing, dues and subscription, and other operating expenses from various administrative departments of the Company.

14. Equity

As of December 31, 2022 and 2021, the capital stock of the Company consists of:

	No. of Shares	Amount
Authorized - ₱100 par value	₱16,000	₱1,600,000
Subscribed and issued shares	4,000	400,000

Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2022 and 2021.

As of December 31, 2022 and 2021, the Company considers its capital stock amounted to ₱0.40 million as its capital employed.

The Company is not subject to externally imposed capital requirements.

15. Income Taxes

The provision for (benefit from) income tax consists of:

	2022	2021	2020
Current	₱3,580,704	₱798,549	₱-
Final	159,930	7,038	6,078
Deferred	-	29,219	(29,219)
	₱3,740,634	₱834,806	(₱23,141)

Corporate Recovery and Tax Incentives for Enterprises ('CREATE') Act

On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. Applying the provisions of the CREATE Act, the Company will be subjected to the RCIT rate of twenty-five percent (25%) or MCIT of one percent (1%).

As a result of reduction in RCIT rate, the provision for deferred tax for the year ended December 31, 2020 and deferred tax assets as of December 31, 2020 decreased by ₱4,870. No impact on provision for current income tax for the year ended December 31, 2020 and income tax payable as of December 31, 2020.



As of December 31, 2022 and 2021, provision for current income tax and deferred tax are recognized based on the effective income tax rate of 25%.

The reconciliation of the income tax computed at statutory rate to provision for (benefit from) income tax follows:

	2022	2021	2020
Income tax at statutory income tax rate	₱3,780,617	₱836,514	₱964,459
Tax effects of:			
Interest income subjected to final tax	(39,983)	(1,760)	(3,039)
Movement in unrecognized deferred tax assets	–	(4,818)	(984,561)
Change in tax rate as a result of CREATE Act	–	4,870	–
	₱3,740,634	₱834,806	(₱23,141)

16. Segment Reporting

The Company has determined that it is operating as one operating segment. Based on management's assessment, no part or component of the business of the Company meets the qualifications of an operating segment as defined by PFRS 8, *Operating Segments*.

The Company's hotel operations is its only income generating activity and such is the measure used by the chief operating decision maker (CODM) in allocating resources. Rooms revenue recognized from government contracts represent 5.75%, 42.04% and 97.75% of the Company's total revenue for the years ended December 31, 2022, 2021 and 2020, respectively.

17. Financial Assets and Financial Liabilities

Fair Value Information

The carrying values of cash and cash equivalents, receivables, security deposits (presented under other current assets), accounts and other payables (except statutory payables) and due from and to related parties approximate their fair values as of December 31, 2022 and 2021 due to the short-term nature of the transactions.

Financial Risk Management Objectives and Policies

The Company's financial instruments include the Company's cash, due from related parties, security deposits (presented under other current assets), accounts and other payables (except statutory payables), and due from and to related parties.

The main purpose of these financial instruments is to finance the Company's operations. The main objectives of the Company's financial risk management are as follows:

- To identify and monitor such risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.



The main risks arising from the Company's financial instruments are liquidity risk and credit risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. It is the Company's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The table below shows the summary of maximum credit risk exposure on financial assets:

	2022	2021
Cash and cash equivalents*	P91,733,985	P59,078,734
Receivables	11,536,941	12,817,984
Due from related parties	4,083,206	-
Security deposits	9,200	-
	P107,363,332	P71,896,718

*Excludes cash on hand.

As of December 31, 2022 and 2021, all financial assets classified as neither past due nor impaired has high grade in terms of credit quality rating. High grade is the highest possible rating, which pertains to accounts with very low credit risk exposure. High grade also pertains to receivables with no possible default in payment based on historical experience and evaluation of financial conditions of the creditor.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations when due. The Company monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Company maintains a level of cash deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows.

Maturity profile of the Company's financial instruments as at December 31 follow:

	2022			Total
	On demand	Less than 3 months	3 to 12 months	
Financial assets				
Cash and cash equivalents	P27,620,834	P65,529,539	P-	P93,150,373
Receivables	-	11,536,941	-	11,536,941
Due from related parties	4,083,206	-	-	4,083,206
	P31,704,040	P77,066,480	P-	P108,770,520
Financial liabilities				
Accounts and other payables*	P-	P62,423,763	P-	P62,423,763
Due to related parties	27,410,861	-	-	27,410,861
	P27,410,861	P62,423,763	P-	P89,834,624

*Excludes statutory payables amounting to P5.65 million.



	2021			Total
	On demand	Less than 3 months	3 to 12 months	
Financial assets				
Cash and cash equivalents	₱30,507,260	₱30,000,000	₱-	₱60,507,260
Receivables	-	12,817,984	-	12,817,984
	₱30,507,260	₱42,817,984	₱-	₱73,325,244
Financial liabilities				
Accounts and other payables*	₱-	₱32,502,881	₱-	₱32,502,881
Due to related parties	35,251,272	-	-	35,251,272
	₱35,251,272	₱32,502,881	₱-	₱67,754,153

*Excludes statutory payables amounting to ₱8.83 million.

18. Income from Insurance Claims

In January 2020, Taal Volcano's eruption interrupted the Company's hotel operations which resulted to business losses. The Company filed a Notice of Claim to the insurance firm on account of losses due to the volcanic eruption. The Company received an offer letter for the proposed settlement for the business interruption loss amounting to ₱9.47 million to which the Company conform and received as of December 31, 2022.

19. Other Matters

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Company's business activities. The Company continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Company. Measures currently undertaken by the Company to mitigate the risks of COVID-19 pandemic on its operations include work-from-home arrangements, proper and frequent sanitation of office premises, and the practice of social distancing through remote communication, among others.

In 2022, reopening process for hotel operators has slowly begun as domestic and international travel gradually reduced restrictions. Hotel operations in January 2022 was generally affected by the surge of COVID 19 cases. In February 2022, hotel operations improved due to implementation of Alert Level 1 and the change to multiple use from quarantine facility. These changes drive the increasing revenue trend starting first quarter of 2022.

The Company continues to anticipate and adopt the global protocol for the "New Normal" as announced by Word Travel and Tourism Council Board.



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, on which we have rendered the attached report dated March 3, 2023.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the above Company has one (1) stockholder owning one hundred (100) or more shares.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 118546-SEC (Group A)

Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

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

PTR No. 9564692, January 3, 2023, Makati City

March 3, 2023



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 3, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Wanessa G. Salvador

Partner

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March 3, 2023



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

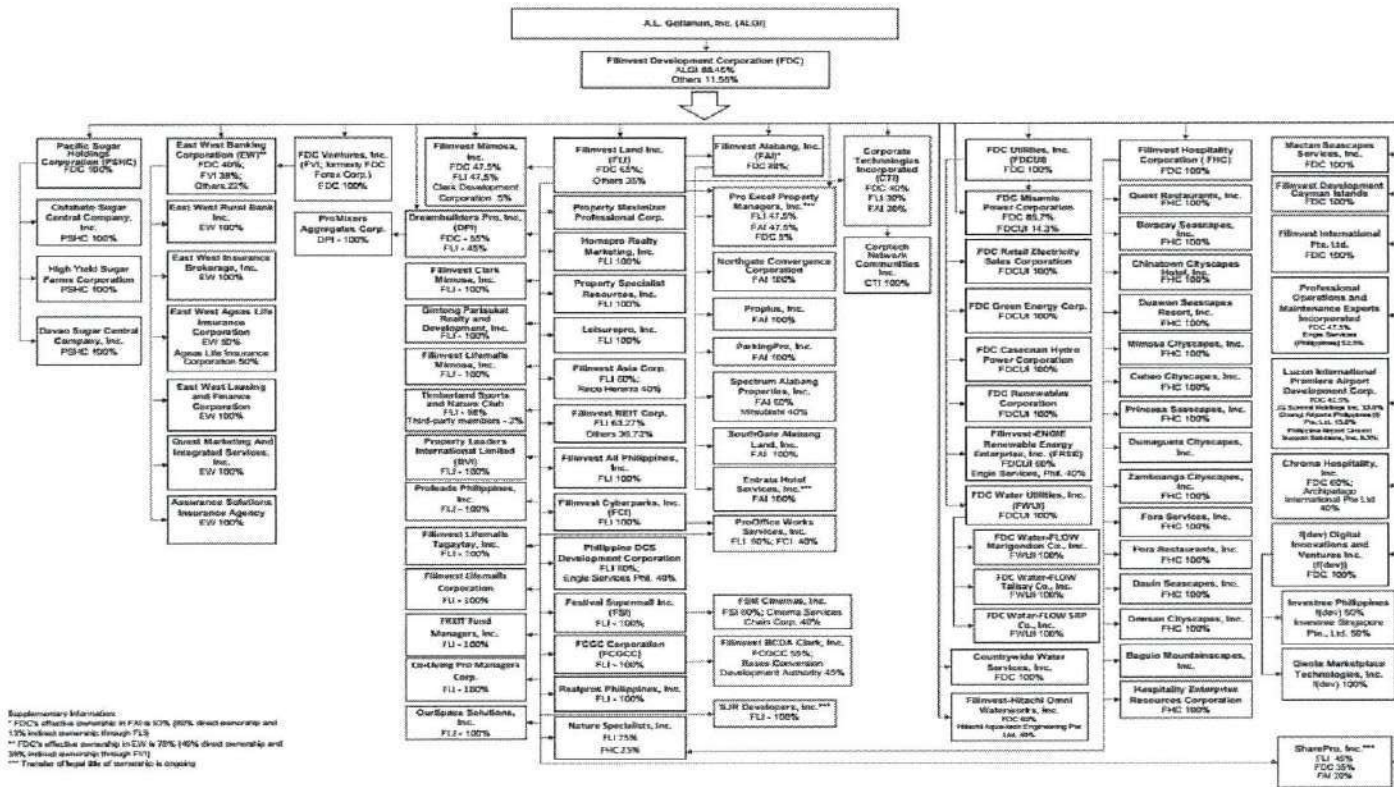
**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION
DECEMBER 31, 2022**

Unappropriated Retained Earnings (Deficit), January 1, 2022		₱2,457,709
Less: Deferred tax assets as of December 31, 2021		—
Retained earnings (deficit) as adjusted to amount available for dividend declaration, beginning		₱2,457,709
Net income actually earned/realized during the period:		
Net income during the period closed to retained earnings	11,381,836	
Less: Non-actual/unrealized income net of tax		—
Equity in net income of associate/joint venture		—
Unrealized foreign exchange gain-net (except those attributable to Cash and Cash equivalents)		—
Fair value adjustment (M2M gains)		—
Fair value adjustment of investment property resulting to gain		—
Adjustment due to deviation from PFRS/GAAP-gain		—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		—
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)		—
Adjustment due to deviation from PFRS/GAAP-loss		—
Loss on fair value adjustment of investment property (after tax)		—
Net income actually earned during the period		₱11,381,836
Add (less):		
Movement in deferred tax assets		—
Dividend declarations during the period		—
Transfer of remeasurement gain on retirement plan		—
Appropriations of retained earnings during the period		—
Unappropriated Retained Earnings, as adjusted December 31, 2022		₱13,839,545

FOR A SERVICES, INC.

DOING BUSINESS AS QUEST HOTEL TAGAYTAY

**MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES
DECEMBER 31, 2022**



Supplementary Information:
 * FDC's effective ownership in FAI is 50% (80% direct ownership and 15% indirect ownership through FLI)
 ** FDC's effective ownership in FCI is 70% (40% direct ownership and 30% indirect ownership through FLI)
 *** Includes of total 20% of ownership to company

FORA SERVICES, INC.**DOING BUSINESS AS QUEST HOTEL TAGAYTAY****SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY
REVISED SRC RULE 68 (ANNEX 68-J)
DECEMBER 31, 2022**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribes the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 and 68.1 as amended that are relevant to Fora Services, Inc. (“the Company”). This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets

The entity’s Financial Assets comprises of cash and cash equivalents, receivables and security deposits. As stated in the regulation, before mentioned amount should be provided if the aggregate cost or the market value of FVTPL as of the end of the reporting period is 5% or more of the total current asset. As of December 31, 2022, the entity recorded the financial assets as financial assets at amortized cost, therefore it is deemed assumed that this schedule is not applicable to the Company.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

As of December 31, 2022, all amounts receivable from employees and related parties pertain to items arising in the ordinary course of business and does not meet the minimum required balance as stated in the Revised SRC Rule to be presented in the report. This schedule is not applicable to the Company.

Schedule C. Amounts Receivable from Related Parties, which are eliminated during the consolidation of financial statements

Below is the list of outstanding receivables from related parties of the Company, presented in the financial statements as of December 31, 2022.

	Balance at beginning of period	Additions	Amounts collected	Balance at end of period
Fora Restaurants, Inc. (FRI)	P–	P4,061,943	P–	P4,061,943
Chroma Hospitality, Inc. (CHI)	–	21,263	–	21,263
	P–	P4,083,206	P–	P4,083,206

The receivables from related parties pertain to share in common expenses, all are noninterest-bearing and are expected to be settled within the year. There were no amounts written off during the year.

Schedule D. Long-term Debt

This schedule is not applicable since the Company does not have any long-term debt as of December 31, 2022.

Schedule E. Indebtedness to Related Parties

This schedule is not applicable since the Company does not have noncurrent indebtedness to its related parties as of December 31, 2022.

Schedule F. Guarantees of Securities of Other Issuers

This schedule is not applicable since the Company does not have guarantees of securities of other issuers as of December 31, 2022.

Schedule G. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	16,000	4,000	—	3,995	5	None

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Fora Services, Inc. doing business as Quest Hotel Tagaytay as at December 31, 2022 and 2021 and for the each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 3, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2022 and 2021 and for the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Wanessa G. Salvador

Wanessa G. Salvador

Partner

CPA Certificate No. 0118546

Tax Identification No. 248-679-852

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March 3, 2023



FORA SERVICES, INC.

DOING BUSINESS AS QUEST HOTEL TAGAYTAY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	2022	2021
Current Ratio	Total Current assets divided by Total Current Liabilities <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Total Current Assets</p> <p>Divide by: Total Current Liabilities</p> <hr/> <p>Current Ratio</p> </div> <div style="width: 35%; text-align: right;"> <p>₱111,967,979</p> <p>98,689,269</p> <p>1.13</p> </div> </div>	1.13	1.03
Debt Ratio	Total Liabilities divided by Total Assets <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Total Liabilities</p> <p>Divide by: Total Assets</p> <hr/> <p>Debt Ratio</p> </div> <div style="width: 35%; text-align: right;"> <p>₱98,689,269</p> <p>112,928,814</p> <p>0.87</p> </div> </div>	0.87	0.96
Quick Asset Ratio	Quick Assets (<i>total current assets less inventories</i>) divided by Current Liabilities <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Total Current Assets</p> <p>Less: Inventories</p> <hr/> <p>Quick Assets</p> <p>Divide by: Total Current Liabilities</p> <hr/> <p>Quick Asset Ratio</p> </div> <div style="width: 35%; text-align: right;"> <p>₱111,967,979</p> <p>1,673,358</p> <p>110,294,621</p> <p>98,689,269</p> <p>1.12</p> </div> </div>	1.12	1.02
Solvency Ratio	Net Income before Depreciation (<i>net income plus depreciation</i>) divided by Total Liabilities <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Net Income</p> <p>Add: Depreciation</p> <hr/> <p>Net Income before Depreciation</p> <p>Divide by: Total Liabilities</p> <hr/> <p>Solvency Ratio</p> </div> <div style="width: 35%; text-align: right;"> <p>₱11,381,836</p> <p>360,563</p> <p>11,742,399</p> <p>98,689,269</p> <p>0.12</p> </div> </div>	0.12	0.05
Interest Coverage Ratio	Earnings before Interest and Other Charges and Income Tax (EBIT) divided by Interest Expense <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>EBIT</p> <p>Divide by: Interest Expense</p> <hr/> <p>Interest Coverage Ratio</p> </div> <div style="width: 35%; text-align: right;"> <p>₱15,122,470</p> <p>—</p> <p>—</p> </div> </div>	—	78.01
Net Profit Margin	Net Income divided by Revenue <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Net Income</p> <p>Divide by: Revenue</p> <hr/> <p>Net Profit Margin</p> </div> <div style="width: 35%; text-align: right;"> <p>₱11,381,836</p> <p>81,873,025</p> <p>0.14</p> </div> </div>	0.14	0.07

Ratio	Formula	2022	2021						
Return on Equity	Net Income divided by Total Equity <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Net Income</td> <td style="text-align: right;">₱11,381,836</td> </tr> <tr> <td>Divide by: Total Equity</td> <td style="text-align: right;">14,239,545</td> </tr> <tr> <td style="border-top: 1px solid black;">Return on Equity</td> <td style="text-align: right; border-top: 1px solid black;">0.80</td> </tr> </table>	Net Income	₱11,381,836	Divide by: Total Equity	14,239,545	Return on Equity	0.80	0.80	0.88
Net Income	₱11,381,836								
Divide by: Total Equity	14,239,545								
Return on Equity	0.80								
Return on Assets	Net Income divided by Average Total Assets <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Net Income</td> <td style="text-align: right;">₱11,381,836</td> </tr> <tr> <td>Divide by: Average Total Assets</td> <td style="text-align: right;">96,547,228</td> </tr> <tr> <td style="border-top: 1px solid black;">Return on Assets</td> <td style="text-align: right; border-top: 1px solid black;">0.12</td> </tr> </table>	Net Income	₱11,381,836	Divide by: Average Total Assets	96,547,228	Return on Assets	0.12	0.12	0.03
Net Income	₱11,381,836								
Divide by: Average Total Assets	96,547,228								
Return on Assets	0.12								
Asset-to-Equity Ratio	Total Assets divided by Total Equity <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total Assets</td> <td style="text-align: right;">₱112,928,814</td> </tr> <tr> <td>Divide by: Equity</td> <td style="text-align: right;">14,239,545</td> </tr> <tr> <td style="border-top: 1px solid black;">Asset-to-Equity Ratio</td> <td style="text-align: right; border-top: 1px solid black;">7.93</td> </tr> </table>	Total Assets	₱112,928,814	Divide by: Equity	14,239,545	Asset-to-Equity Ratio	7.93	7.93	28.05
Total Assets	₱112,928,814								
Divide by: Equity	14,239,545								
Asset-to-Equity Ratio	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, 2023**
2. SEC Identification Number **201818339**
3. BIR Tax ID **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

Title of Each Class	Number of shares of Common Stock Outstanding	Amount Issued and Outstanding
Common Stock, Php100.00 par value	4,000	₱ 400,000.00
Securities	No. of Certificates	Total Amount
Certificates of Participation	164	₱ 37,756,700.00

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

(b) 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

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PART 1 – FINANCIAL INFORMATION

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

Unaudited Interim Financial Statements

As at June 30, 2023 and Dec 31, 2022
and
For the six months ended June 30, 2023 and 2022

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

	June 30	December 31
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 4 and 11)	₱109,726,513	₱93,150,373
Receivables (Note 5)	9,451,107	11,536,941
Due from related parties (Note 11)	245,064	4,083,206
Inventories (Note 6)	1,553,053	1,673,358
Other currents assets (Note 7)	2,770,170	1,524,101
Total Current Assets	123,745,907	111,967,979
Noncurrent Assets		
Property and equipment (Note 8)	889,779	577,306
Software cost (Note 8)	769,161	383,529
Total Noncurrent Assets	1,658,940	960,835
	₱125,404,847	₱112,928,814
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Notes 9 and 11)	81,280,299	68,078,227
Contract liabilities (Note 10)	1,872,144	3,200,181
Due to related parties (Note 11)	25,903,793	27,410,861
Total Liabilities	₱109,056,236	₱98,689,269
Equity		
Capital stock (Note 14)	400,000	400,000
Retained earnings	15,948,611	13,839,545
Total Equity	16,348,611	14,239,545
	₱125,404,847	₱112,928,814

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, 2023

	Six Months Ended June 30	
	2023	2022
REVENUE		
Revenue from services		
Rooms	₱48,461,692	₱31,695,100
Other operating departments	1,113,224	9,558
Miscellaneous	383,658	4,370
	49,958,574	31,709,028
COST OF SERVICES (Note 12)	29,383,055	16,097,472
GENERAL AND ADMINISTRATIVE EXPENSES (Note 13)	17,587,770	14,209,428
OTHER INCOME (EXPENSE)		
Income from insurance claims (Note 19)	-	9,467,928
Interest income (Note 4)	1,187,790	93,013
Interest expense	(1,442,637)	-
	(254,847)	9,560,941
INCOME (LOSS) BEFORE INCOME TAX	2,732,902	10,963,069
PROVISION FOR INCOME TAX (Note 16)	623,836	2,801,042
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS) (Note 2)	₱2,109,066	₱8,162,027

See accompanying Notes to Financial Statements.

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

	Six Months Ended June 30	
	2023	2022
CAPITAL STOCK (Note 14)	₱ 400,000	₱ 400,000
RETAINED EARNINGS (DEFICIT)		
Balances at beginning of period	13,839,545	2,457,709
Net income (loss) for the period	2,109,066	8,162,027
Balances at end of period	15,948,611	10,619,736
	₱16,348,611	₱11,019,736

See accompanying Notes to Financial Statements.

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

	Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱2,732,902	₱10,963,069
Adjustments for:		
Income from insurance claims (Note 19)	-	(9,467,928)
Depreciation (Notes 8, 11 and 13)	339,158	162,451
Interest income (Note 4)	(1,187,790)	(93,013)
Interest expense	-	-
Operating income (loss) before working capital changes	1,884,270	1,564,579
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	2,085,836	8,509,406
Due from related parties	3,865,877	-
Inventories	120,304	(41,288)
Other current assets	(1,246,070)	2,345,317
Increase (decrease) in:		
Accounts and other payables	13,202,072	14,525,203
Contract liabilities	(1,328,037)	415,568
Due to related parties	(1,534,802)	2,124,031
Net cash generated from operations	17,049,450	29,442,816
Insurance claims received	-	9,467,928
Interest received	1,187,790	93,013
Income taxes paid	(623,836)	(2,801,042)
Net cash provided by operating activities	17,613,404	36,202,715
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment (Note 8)	(471,062)	(413,418)
Software	(566,201)	
Increase in advances to suppliers (Note 7)	-	(130,534)
Cash used in investing activities	(1,037,263)	(543,952)
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,576,141	35,658,763
CASH AND CASH EQUIVALENTS	93,150,372	60,507,260
AT BEGINNING OF PERIOD		
CASH AND CASH EQUIVALENTS	₱109,726,513	₱96,166,023
AT END OF PERIOD (Note 4)		

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'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.

On May 17, 2023, Securities and Exchange Commission (SEC), issued the Certificate of Permit to Offer Securities for Sale to Fora Services Inc. (FOSI). The certificate allows the company to sell 164 certificates of participation exclusively to unit owners of the Project.

2. Summary of Significant Accounting Policies

Basis of Preparation

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

The Company's financial statements as at June 30, 2023 and December 31, 2022 and for the six months ended June 30, 2023 and 2022 have been prepared as an attachment to the amended registration statement in relation to the Company's issuance of debt securities.

Statement of Compliance

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

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Company's financial statements are consistent with those of the previous financial years, except for the adoption of the following which became effective beginning January 1, 2022. The adoption of the following pronouncements does not have significant impact to the Company's financial statements.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

- *Annual Improvements to PFRSs 2018-2020 Cycle*
 - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*
 - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*
 - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

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

Effective beginning on or after January 1, 2023

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

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

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

Significant Accounting Policies

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

Current versus Noncurrent Classification

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

An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Company classifies all other liabilities as noncurrent.

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

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

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

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

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

'Day 1' difference

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

Financial Instruments

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

Recognition and Measurement of Financial Instruments

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

Financial assets

Initial recognition and measurement

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

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

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

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

Subsequent measurement

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

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

Financial assets at amortized cost

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

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

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

The Company's financial assets at amortized cost include cash and cash equivalents and receivables.

Reclassification of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

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

Impairment of Financial Assets

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

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

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset is derecognized when:

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

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

Financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the statement of financial position.

Inventories

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

Other 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, advances to officers and employees and advances to suppliers.

Prepaid expenses

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

VAT

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

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

Creditable VAT

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

Advances to suppliers

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

Property and Equipment

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

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

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

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

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

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

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

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

Software Costs

Software acquired separately is measured on initial recognition at cost. Following initial recognition, capitalized software is carried at cost less accumulated amortization and any accumulated impairment losses. The capitalized software is amortized on a straight-line basis over its estimated useful life of 3 years.

Impairment of Nonfinancial Assets

The Company assesses at each financial reporting date whether there is an indication that its nonfinancial (e.g., property and equipment and software costs) may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGUs) fair value less costs to sell and its value in use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company.

When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss is charged to operations in the year in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

Equity

Capital stock

Capital stock is measured at par value for all shares issued.

Retained earnings (Deficit)

Retained earnings (deficit) represents the accumulated net income (losses) of the Company and stock issuance costs.

Revenue Recognition

The Company primarily derives its revenue from room related services and other operating departments. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has generally concluded that it is acting as principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

Rooms

Revenue from rooms is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Other operating departments

Revenue from other operating departments is recognized over the time the related services are rendered and/or facilities and amenities are used. Transaction price is determined to be the invoice amount, and each transaction is considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. The service is capable of being distinct from the other services and the transaction price for each service is separately identifiable.

Interest income

Interest income is recognized as it accrues taking into account the effective yield on the asset.

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.

Other income

Other income consists of smoking fees, forfeiture of unclaimed deposits and others. This is recognized over the time the related services are rendered and/or facilities and amenities are used.

Contract Balances

Contract receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs under the contract.

The contract liabilities also include payments received by the Company from the customers for which revenue recognition has not yet commenced. Accordingly, funds deposited by customers before event/service occurs (guest deposits) are recorded as contract liabilities until services are provided or goods are delivered.

Costs and Expenses Recognition

Direct costs and operating expenses are decreases in economic benefits during the accounting period in the form of outflows or depletion of assets or decrease of liabilities. Direct costs and operating expenses encompass losses as well as those expenses that arise in the course of ordinary activities of the Company. Direct costs are charged to statement of comprehensive income when related revenue is recognized, while operating expenses are recognized when incurred. These are measured at the amount paid or payable.

Cost of sales and services

Cost of sales and services pertain to expenses incurred in relation to sale of goods and rendering of services. These are recognized when incurred and measured at the amount paid or payable.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease payments on leases of low-value assets are recognized as expense in the statement of comprehensive income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the lease expense. Contingent rents are recognized as expense in the period in which they are incurred.

Other Comprehensive Income (OCI)

OCI are items of income and expense that are not recognized in the profit or loss for the period in accordance with PFRS. The Company has no OCI item for the six months ended June 30, 2023 and 2022.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences with some exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefit of the excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax relating to items recognized in other comprehensive income or directly in equity is also recognized in other comprehensive income.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Segment Reporting

The Company's operating businesses are organized and managed according to the nature of the products and services provided. The Company has determined that it is operating as one operating segment as of June 30, 2023 and December 31, 2022 (see Note 16).

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. When the Company expects part or all of provision to be reimbursed or recovered, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provides additional information about the Company's position at the financial reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant Accounting Estimates and Assumption

The preparation of the Company's financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management's Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and within the next financial year are discussed below:

Evaluation of impairment of receivables

The Company uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every financial reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions (e.g., inflation and lending rate) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of member's actual default in the future.

As of June 30, 2023 and December 31, 2022, the carrying value of receivables amounted to ₱9.45 million and ₱11.53 million, respectively. There is no provision for ECL recognized for the six months ended June 30, 2023 and 2022 (see Note 5).

Estimation of NRV of inventories

Inventories are valued at the lower of cost or NRV. To determine the NRV, the Company is required to make estimate of the inventories' estimated selling price in the ordinary course of business and costs necessary to make a sale. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. The amount and timing of recorded expenses for any period would differ if different judgment were made or different estimates were utilized.

For the six months ended June 30, 2023 and 2022, there is no allowance for inventory write-down recognized since the Company has determined that the NRV of inventories is higher than its cost. As of June 30, 2023 and December 31, 2022, total inventories carried at cost amounted to ₱1.55 million and ₱1.67 million, respectively (see Note 6).

4. Cash and Cash Equivalents

This account consists of:

	June 30, 2023	December 31, 2022
Cash on hand	₱723,029	₱1,416,388
Cash in banks (Note 11)	27,371,601	26,204,446
Cash equivalents (Note 11)	81,631,883	65,529,539
	₱109,726,513	₱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 0.25%.

Interest income earned from cash and cash equivalents amounted to ₱1.19 million and ₱0.09 million for the six months ended June 30, 2023 and 2022, respectively (see Note 11).

There are no restrictions on the Company's cash and cash equivalents as of June 30, 2023 and December 31, 2022.

5. Receivables

This account consists of:

	June 30, 2023	December 31, 2022
Contract receivables:		
Corporate, travel agency and individuals	₱8,169,391	₱8,642,460
Guest ledger	390,344	1,121,267
Credit cards	891,372	1,773,214
	₱9,451,107	₱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 3 to 5 days from transaction date.

6. Inventories

This account consists of:

	June 30, 2023	December 31, 2022
Supplies	₱1,238,707	₱1,429,592
Fuel	314,346	243,766
	₱1,553,053	₱1,673,358

Supplies include guest, engineering, cleaning, and other operating supplies as a requirement in the day-to-day operations of the Company.

Fuel pertains to fuel and oils.

The cost of inventories recognized as part of “Cost of services” in the statements of comprehensive income amounted to ₱1.6 million and ₱1.1 million for the six months ended June 30, 2023 and 2022, respectively (see Note 12).

7. Other Assets

This account consists of:

	June 30, 2023	December 31, 2022
Prepaid expenses	₱1,216,122	₱ 245,616
Input Tax	742,299	-
Advances to officers and employees	681,238	819,763
Creditable withholding taxes	121,311	449,520
Security deposits	9,200	9,200
	₱2,770,170	₱1,524,101

Advances to officers and employees refer to advances for meals, travel, courier and other expenses arising from ordinary course of business, and are subject to liquidation within seven days after actual use of the advances.

Creditable withholding taxes are the taxes withheld by the withholding agents from payments to the sellers which are creditable against the future income tax payable.

Prepaid 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 represent payments made in advance for the guest supplies and software costs. These advances will be applied against the future billings of the Company's suppliers.

8. Property and Equipment and Software Costs

Property and equipment

The rollforward analysis of this account follows:

	As of June 30, 2023			
	Machineries, Tools and Equipment	Computer Equipment	Furn., Fixtures & Equipment	Total
Cost				
Balances at beginning of year	₱456,007	₱256,696	₱ -	₱712,703
Additions		425,276	45,786	471,062
Balances at end of year	456,007	681,972	45,786	1,183,765
Accumulated Amortization				
Balances at beginning of year	102,101	33,296		135,397
Amortization	76,002	82,587	-	158,589
Balances at end of year	178,103	115,883	-	293,986
Net Book Value	₱277,904	₱ 566,089	₱45,786	₱889,779

The Company's property and equipment are not pledged or used as collateral to secure any obligation as of June 30, 2023 and December 31, 2022.

Software costs

This account pertains to the software costs for accounting system and front office management system purchased by the Company.

The roll forward analysis of this account follows:

	June 30, 2023	December 31, 2022
Cost		
At beginning of period	₱806,033	₱675,499
Additions	566,201	130,534
At end of period	1,372,234	806,033
Accumulated Depreciation		
At beginning of period	422,504	197,338
Depreciation (Note 13)	180,569	225,166
At end of period	603,073	422,504
Net Book Values	₱769,161	₱383,529

Depreciation expense recognized as part of "General and administrative expenses" in the statements of comprehensive income amounted to ₱0.34 million and ₱0.16 million for the six months ended June 30, 2023 and 2022, respectively (see Note 13).

9. Accounts and Other Payables

This account consists of:

	June 30, 2023	December 31, 2022
Trade payables	₱60,093,399	₱18,031,830
Accrued expenses	17,777,337	44,391,933
Taxes payable	1,843,272	4,105,075
Wages and employee related payables	1,566,291	1,549,389
	₱81,280,299	₱68,078,227

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 to 90-day term.

Accrued expenses represent accruals on rental, telephone, light and water, salaries, security services and other expenses that are normally settled on a 30 to 90-day term upon receipt of billing.

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

Wages and employee-related payables include employees' share on the additional service fees charged to customers and accrued compensation. These are normally settled within one (1) month.

10. Contract Liabilities

Contract liabilities pertain to advance or partial payments received from guests to guarantee reservations. This represents the obligation to provide services to the customer for which the Company has received consideration. These are guest deposits which are expected to be recognized as revenue when the event has taken place or refunded to the customers upon cancellation.

The following summarizes the activities related to contract liabilities with customers:

	June 30, 2023	December 31, 2022
Balances at beginning of period	₱3,200,181	₱726,507
Additions	1,900,004	5,750,282
Recognized as revenue	(3,228,041)	(3,276,608)
Balances at end of period	₱1,872,144	₱3,200,181

11. Related Party Transactions

The Company has entered various transactions with related parties. Parties are 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 June 30, 2023 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, 2023 and December 31, 2022, the Company has not made any provision for ECL relating to amounts owed by related parties. This assessment is undertaken each financial period 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:

	30-Jun-23			
	Amount/ Volume	Outstanding balance	Terms	Conditions
<i>Cash and cash equivalents</i>				
<i>Affiliate</i>				
a. Cash and cash equivalents (Note 4)	₱16,517,852	₱101,824,755	Interest-bearing at prevailing market rate	Unrestricted
Interest income	1,187,790	-	-	-
<i>Due to related parties</i>				
b. Parent Company	(₱22,853)	(₱251,791)	Noninterest-bearing; due and demandable	Unsecured
c. Filinvest Land, Inc. (FLI)	(1,702,039)	(19,147,449)	Noninterest-bearing; due and demandable	Unsecured
d. Fora Restaurants, Inc. (FRI)	4,272,065	(793,523)	Noninterest-bearing; due and demandable	Unsecured

e. Chroma Hospitality, Inc. (CHI)	44,549	(1,632,223)	Noninterest-bearing; due and demandable	Unsecured
f. Entrata Hotel Services, Inc. (EHSI)	48,599	(71,665)	Noninterest-bearing; due and demandable	Unsecured
g. Corporate Technologies, Inc. (CTI)	(1,133,253)	(4,007,142)	Noninterest-bearing; due and demandable	Unsecured
		(P25,903,793)		

30-Jun-23

	Amount/ Volume	Outstanding balance	Terms	Conditions
<i>Due from related parties</i>				
h. Fora Restaurants, Inc. (FRI)	(P4,061,943)	-	Noninterest-bearing; due and demandable	Unsecured
i. Chroma Hospitality, Inc. (CHI)	196,066	217,329	Noninterest-bearing; due and demandable	Unsecured
j. Entrata Hotel Services, Inc. (EHSI)	27,735	27,735	Noninterest-bearing; due and demandable	Unsecured
		P245,064	-	-
<i>Accrued expenses</i>				
c. FLI (rent)	9,264,409	(P9,264,409)	Noninterest-bearing;	Unsecured
		(P9,264,409)		

31-Dec-22

	Amount/ Volume	Outstanding balance	Terms	Conditions
<i>Cash and cash equivalents</i>				
<i>Affiliate</i>				
a. Cash and cash equivalents (Note 4)	P31,949,406	P85,306,903	Interest-bearing at prevailing market rate	Unrestricted
Interest income	799,652	-	-	-
<i>Due to related parties</i>				
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.	260,051	(120,264)	Noninterest-bearing;	Unsecured

(EHSI)				due and demandable	
g. Corporate Technologies, Inc. (CTI)	5,220,741	(2,873,889)		Noninterest-bearing; due and demandable	Unsecured
		(P27,410,861)			

31-Dec-22					
	Amount/ Volume	Outstanding balance	Terms	Conditions	
<i>Due from related parties</i>					
h. Fora Restaurants, Inc. (FRI)	P4,061,943	P4,061,943	Noninterest-bearing; due and demandable	Unsecured	
i. Chroma Hospitality, Inc. (CHI)	21,263	21,263	Noninterest-bearing; due and demandable	Unsecured	
		4,083,206	–	–	
<i>Accrued expenses</i>					
c. FLI (rent)	9,226,418	(P9,226,418)	Noninterest-bearing; due and demandable	Unsecured	
		(P9,226,418)			

Significant transactions with related parties are as follows:

- The Company maintains cash and cash equivalents with East West Banking Corporation, an entity under common control with FDC.
- FHC advanced the Company's costs for incorporation, taxes and licenses and other costs incurred on its pre-opening period. As of June 30, 2022, the Company paid the balance in full.

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 1 year and automatically renewable every year for a similar term unless terminated by either party. For the six months ended June 30, 2023, the Company recognized admin fee amounted to P0.59 million (see Note 13; P0.31 for the six months ended June 30, 2022).

- 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 the 164 hotel rooms. The lease commences beginning April 1, 2019 until March 31, 2021, subject to automatic renewal for a similar term unless terminated by either party. The Company agreed to pay variable lease payments equivalent to the Company's net income less outstanding receivables. In 2022, the Company and FLI confirmed that the composition of condotel revenue considered in the net income computation per its lease agreement to exclude proceeds from insurance claims, earmarked for refurbishment, income generating activities from use of function rooms, parking fees and food and beverage operations, among others. For the six months ended June 30, 2023 the company incurred rent expense amounting to P9.26 million (see Note 13; nil for the six months ended June 30, 2022).

- d. FRI, an affiliate, charges its revenue from food and beverage packages 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 (the "Agreement") with CHI, an entity jointly controlled by FDC, whereby CHI provides technical services to the Company with regard to the development and establishment of the hotel during the stages of feasibility, conceptualization, design, and construction, and fit-out.

CHI as a management company supervises and manages the operations of the Hotel in consideration of management base fee and incentive fee. For the six months ended June 30, 2023 and 2022, management fees billed, amounted to ₱1.68 million and ₱0.86 million (see Note 13).

- f. EHSI, an affiliate, charges the Company for intercompany expenses.
- g. CTI, an affiliate, charges the Company for telecommunication, IT solutions expenses and system costs related to the system implementation and support services.
- h. The company charges FRI, CHI and EHSI for intercompany charges.

Compensation of key management personnel

Compensation of key management personnel of the Company consists of employee salaries and benefits amounting to ₱0.88 million and ₱0.71 million for the six months ended June 30, 2023 and 2022, respectively.

12. Cost of Services

This account consists of:

	June 30, 2023	June 30, 2022
Rental	₱9,264,409	₱-
Utilities	7,602,914	5,164,577
Salaries and wages	3,790,048	3,005,823
Travel Agency Commissions	2,468,720	1,831,292
Operating supplies (Note 6)	1,607,834	1,102,301
Laundry and Linens	1,516,601	3,675,957
E-commerce fee	1,387,825	209,868
Spa Services	801,115	-
Telecommunication	21,500	372,648
Contract services	-	151,572
Others	922,089	583,434
	₱29,383,055	₱16,097,472

Commissions pertain to payments made to travel and booking agencies for which the hotel transacts with.

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

13. General and Administrative Expenses

This account consists of:

	June 30, 2023	June 30, 2022
Salaries, wages, and benefits	3,940,110	3,155,935
Management fees (Note 11)	1,677,964	857,746
E-commerce fee	1,410,942	856,546
Corporate office reimbursable	1,264,246	716,821
System costs	1,251,145	1,301,746
Insurance premium	1,192,303	532,594
Security services	1,094,153	943,916
Contract services	1,033,411	350,513
Credit and collection service fees	890,100	243,873
Repairs and maintenance	770,669	1,444,624
Telecommunication	662,431	720,230
Admin fee (Note 11)	596,326	317,211
Depreciation (Notes 8 and 11)	339,158	162,451
Sales office expenses	288,788	871,241
Travel and transportation	204,103	367,742
Professional fees	200,000	66,000
Taxes and licenses	42,534	442,618
Printing and office supplies	38,885	115,538
Representation and entertainment	-	210,458
Medical expenses	-	77,391
Others	690,502	454,234
	₱17,587,770	₱14,209,428

Others include uniform laundry and dry clean of uniform, contracted services, recruitment, and training expenses, postage, and courier charges, representation and entertainment, and other operating expenses from various administrative departments of the Company.

14. Equity

As of June 30, 2023 and December 31, 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 make 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 for the six months ended June 30, 2023 and 2022.

As of June 30, 2023 and December 31, 2022, the Company considers its capital stock amounted to ₱0.40 million as its capital employed.

The Company is not subject to externally imposed capital requirements.

15. Income Taxes

The provision for income tax consists of:

	June 30, 2023	June 30, 2022
Current – RCIT	₱386,278	₱2,782,439
Final	237,558	18,603
Deferred	–	–
	₱623,836	₱2,801,042

Corporate Recovery and Tax Incentives for Enterprises (‘CREATE’) Act

On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. Applying the provisions of the CREATE Act, the Company will be subjected to the RCIT rate of twenty-five percent (25%) or MCIT of one percent (1%).

For the six months ended June 30, 2023 and 2022, provision for current income tax are recognized based on the effective income tax rate of 25%.

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

	June 30, 2023	June 30, 2022
Income tax at statutory income tax rate	₱683,225	₱2,740,767
Tax effects of:		
Nondeductible expenses	-	64,925
Interest income subjected to final tax	(59,389)	(4,650)
	₱623,836	₱2,801,042

16. Segment Reporting

The Company has determined that it is operating as one operating segment. Based on management’s assessment, no part or component of the business of the Company meets the qualifications of an operating segment as defined by PFRS 8, *Operating Segments*.

17. Financial Assets and Financial Liabilities

Fair Value Information

The carrying values of cash and cash equivalents, receivables, accounts, and other payables (except statutory payables) and due to related parties approximate their fair values as of June 30, 2023 and December 31, 2022 due to the short-term nature of the transactions.

Financial Risk Management Objectives and Policies

The Company's financial instruments include the Company's cash and cash equivalents, receivables, accounts and other payables (except statutory payables) and due 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:

	June 30, 2023	December 31, 2022
Cash and cash equivalents*	₱109,003,484	₱91,733,985
Receivables	9,451,107	11,536,943
Due from related parties	245,064	4,083,206
Security deposits	9,200	9,200
	₱118,708,855	₱107,363,334

*Excludes cash on hand.

As of June 30, 2023 and December 31, 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 June 30, 2023 and December 31, 2022 follows:

	June 30, 2023			
	On demand	Less than 6 months	6 to 12 months	Total
Financial assets				
Cash and cash equivalents	₱28,094,634	₱81,631,883	₱-	₱109,726,517
Receivables	-	9,451,107	-	9,451,107
Due from related parties	245,064			245,064
	₱28,339,698	₱91,082,990	₱-	₱119,422,688
Financial liabilities				

Accounts and other payables*	₱–	₱77,870,736	₱–	₱77,870,736
Due to related parties	25,876,059	–	–	25,876,059
	₱25,876,059	₱77,870,736	₱–	₱103,746,795

*Excludes statutory payables amounting to ₱3.41 million

	December 31, 2022			Total
	On demand	Less than 3 months	3 to 12 months	
Financial assets				
Cash and cash equivalents	₱27,620,834	₱65,529,539	₱–	₱93,150,373
Receivables	–	11,536,941	–	11,536,941
Due from related parties	4,083,206	–	–	4,083,206
	₱31,704,040	₱77,066,480	₱–	₱108,770,520

	December 31, 2022			Total
	On demand	Less than 3 months	3 to 12 months	
Accounts and other payables*	₱–	₱62,423,763	₱–	₱62,423,763
Due to related parties	27,410,861	–	–	27,410,861
	₱27,410,861	₱62,423,763	₱–	₱89,834,624

*Excludes statutory payables amounting to ₱5.65 million

18. Income from Insurance Claims

In January 2020, Taal Volcano's eruption interrupted the Company's hotel operations which resulted to business losses. The Company filed a Notice of Claim to the insurance firm on account of losses due to the volcanic eruption. The Company received an offer letter for the proposed settlement for the business interruption loss amounting to ₱9.47 million to which the Company conform and received as of June 30, 2022.

19. Other Matters

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Company's business activities. The Company continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Company. Measures currently undertaken by the Company to mitigate the risks of COVID-19 pandemic on its operations include work-from-home arrangements, proper and frequent sanitation of office premises, and the practice of social distancing through remote communication, among others.

In 2022, reopening process for hotel operators has slowly begun as domestic and international travel gradually reduced restrictions. Hotel operations in January 2022 was generally affected by the surge of COVID 19 cases. In February 2022, hotel operations improved due to implementation of Alert Level 1 and the change to multiple use from quarantine facility. These changes drive the increasing revenue trend starting first quarter of 2022.

In 2023 the post-pandemic urge to travel remained strong which drive continued growth in the first half of the year. Leisure demand continued to rise with a growth of 42% in occupancy mainly due to relaxed travel restrictions and revenge travel.

In May 17, 2023, the company has secured approval from Securities and Exchange Commission to sell certificates of participation in Quest Hotel Tagaytay project. The certificates will be offered and sold exclusively to buyers of the 164 rooms in Quest Hotel Tagaytay.

As we continuously evolve, we set to bring even more changes by embracing technology, focusing on sustainability, prioritizing guest personalization, emphasizing health and wellness, and promoting local tourism for us to stay ahead of the curve and provide exceptional guest experiences.

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

Management’s Discussion and Analysis of Financial Condition and Results of Operation

In '000	Six Months Period Ended June 30		
STATEMENT OF COMPREHENSIVE INCOME	2023	2022	Change (%)
Revenue	49,959	31,709	58%
Cost of Services	29,383	16,097	83%
General and Administrative Expense	17,588	14,209	24%
Income (Loss) Before Other Income (Expense)	2,988	1,403	113%
Other Income (Expense)	-255	9,561	-103%
Income (Loss) Before Income Tax	2,733	10,963	-75%
Provision from Income Tax	624	2,801	-78%
Total Comprehensive Income	2,109	8,162	-74%

Results of operations in the first half of the year were favorably impacted by the changing market behavior brought by relaxed travel restriction, resurgence of domestic tourism and reopening of international borders. For the six months ended June 30, 2023 the company registered significant revenue growth of 58% from last year. The increase in revenue was driven by the increase in ADR (average daily rate) of 7% coupled with growth in occupancy rate from 42% last year to 57% same period mid-year of 2023.

Cost and Expenses increased by 55% corresponding to the increase in business volume and elevated inflation rate. Apart from the increase in variable cost, the company incurred variable lease rental from lease agreement with FL amounting to ₱9.26 million, Lease agreement with FLI was officially terminated on May 17, 2023 upon issuance of Certificate of Permit to Offer Securities by SEC.

Other Income (Expense) consists of accrued interest expense intended for income distribution, income from insurance claim, and interest income earned from deposits. As of June 30, 2023 the company accrued a distributable participation interest amounting to ₱1.44M in compliance with the calculation presented in Condotel Participation Agreement (CPA). Other income from deposits for the past six months amounted to ₱1.19 million.

Margins remained strong , resulted to a positive comprehensive income amounting to ₱2.11M. Though, there was a remarkable decline of 74% as compared to June 2022. The decline was primarily due to proceeds from insurance claim from business interruption which forms part of June financials last year.

Towards the end of the year, we expect an upward trend in occupancy as other segments such as corporate, groups and meetings will have a substantial increase specially mid Q3 and most of Q4. With the surge from these segments, profitability will likewise increase coming from confident yield management exercises driven by early strong occupancy base.

In '000	June 30	December 31	
STATEMENT OF FINANCIAL POSITION	2023	2022	Change (%)
Current Assets	₱123,746	₱111,968	11%
Noncurrent Assets	1,659	961	73%
Total Assets	125,405	112,929	11%
Total Liabilities	109,056	98,689	11%
Total Equity	16,349	14,240	15%
Total Liabilities and Equity	₱125,405	₱112,929	11%

As of June 30, 2023 financial position of the company remained strong with total assets of ₱125 million Increase in total assets was driven by of 18% growth in cash and cash equivalent and 73% increase in capital expenditures.

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%. For the six months ended June 30, 2023 total cash balance increased by 18% attributed to the increase in operating cash flow, upward trend in revenue and collection of receivables

Receivables

As of June 30, 2022 total accounts receivables amounted to ₱9.4 million. 18% decrease driven by improved collection days. Decline in receivable is the same percentage rate as the increase in cash.

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, 2023 amounted to ₱1.5M, reduced by 7% from December last year.

Other Current Assets

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

For the six months ended June 30, 2022, other assets grew by 82% from ₱1.52 million to ₱2.77 million mainly from prepaid insurance and advances to suppliers.

Noncurrent Assets

Noncurrent assets consist of property and equipment and software cost.

Total non-current assets amounted to ₱1.65 million and ₱0.96million for the six months ended June 30, 2023. Increase of 73% was attributed to capex acquisition.

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, 2023 total due to related party amounted to ₱25.90 million and ₱.24 million due from affiliates.

Accounts and Other Payables

For the six months ended June 30, 2023 Accounts and other payables amounted to ₱81.28 million equivalent to 19% increase. Increment was driven by additional accrual of electricity, contract services, system and operating requirements incurred during the period.

Contract Liabilities

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

For the six months ended June 30, 2023, contract liabilities went down to 41% attributed to additional deposits from guests offset against usage of deposits from room reservation.

Equity

Overall increase of 15% mainly due to the increase in retained earnings as a result of net income earned during the period.

ATTACHMENT-I

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

AGING OF ACCOUNTS RECEIVABLE
JUNE 30, 2023

	Current	1-30 days	31-60 days	61-90 days	>120 days	Total
Trade Receivables	1,705,262	163,453	37,500	439,062	5,265,410	7,610,687
TOTAL	1,705,262	163,453	37,500	439,062	5,265,410	7,610,687

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:

Class	No. of Certificates per Class	Offer Price per Certificate	Aggregate Offer Price per Class
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
TOTAL	164		₱37,756,700

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

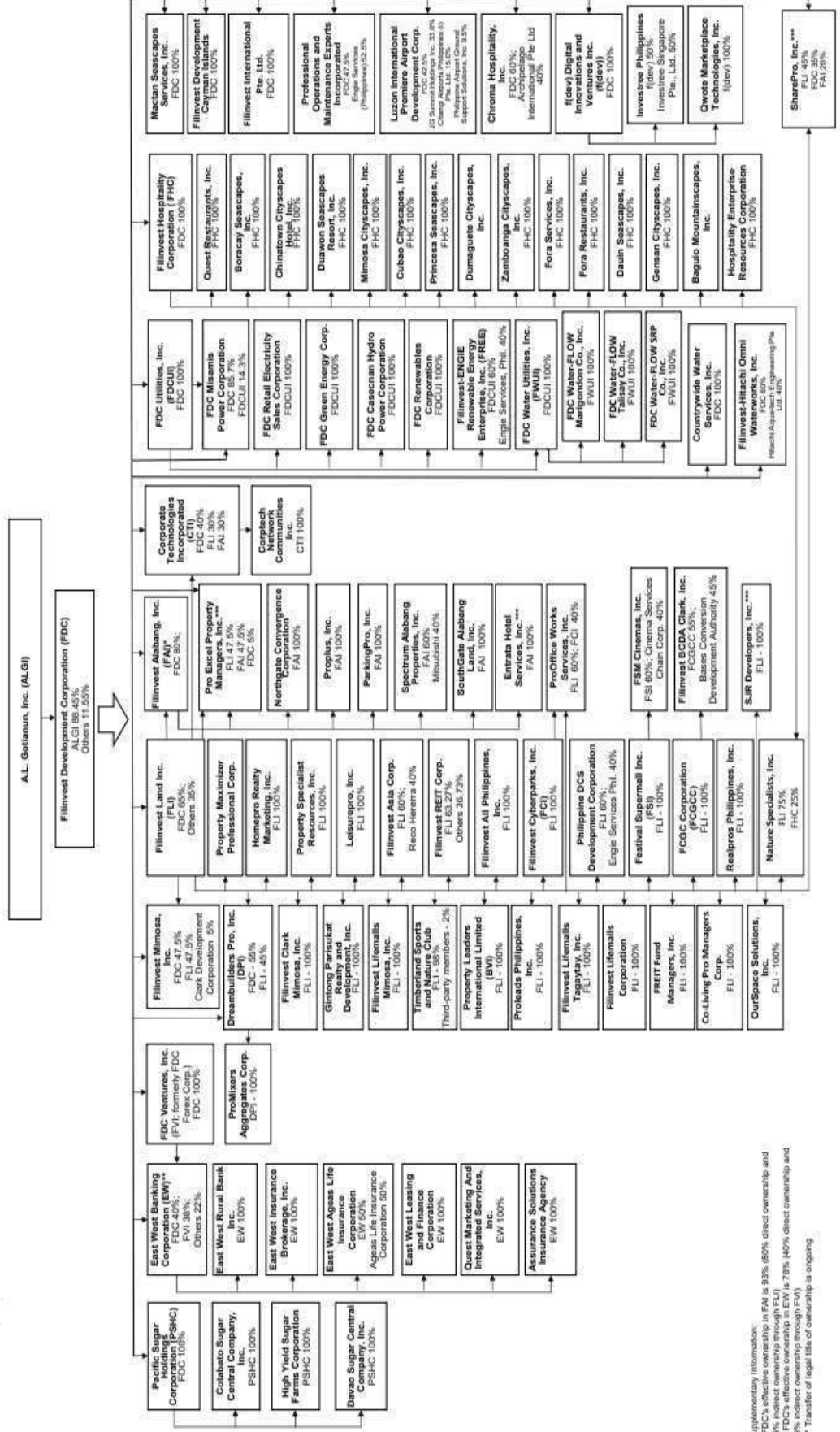
- Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex C: Supplementary 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, 2023

Unappropriated Retained Earnings (Deficit), January 1, 2023		₱13,839,545
Less: Deferred tax assets as of December 31, 2022		—
<hr/>		
Retained earnings (deficit) as adjusted to amount available for dividend declaration, beginning		₱13,839,545
<hr/>		
Net income earned/realized during the period:		
Net income during the period closed to retained earnings	2,109,066	
Less: Non-actual/unrealized income net of tax		—
Equity in net income of associate/joint venture		—
Unrealized foreign exchange gain-net (except those attributable to Cash and Cash equivalents)		—
Fair value adjustment (M2M gains)		—
Fair value adjustment of investment property resulting to gain		—
Adjustment due to deviation from PFRS/GAAP-gain		—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS		—
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)		—
Adjustment due to deviation from PFRS/GAAP-loss		—
Loss on fair value adjustment of investment property (after tax)		—
<hr/>		
Net income actually earned during the period		₱15,948,611
Add (less):		
Movement in deferred tax assets		—
Dividend declarations during the period		—
Transfer of remeasurement gain on retirement plan		—
Appropriations of retained earnings during the period		—
<hr/>		
Unappropriated Retained Earnings, as adjusted		
June 30, 2023		₱15,948,611
<hr/> <hr/>		

ANNEX B

FOR A SERVICES, INC.
 DOING BUSINESS AS QUEST HOTEL TAGAYTAY
 MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANY AND ITS ULTIMATE PARENT
 COMPANY, MIDDLE PARENT, SUBSIDIARIES OR CO-SUBSIDIARIES, ASSOCIATES
 JUNE 30, 2023



Supplementary information:
 * FDC is 80% owned by ALGI and 20% by others.
 ** FDC's effective ownership through FVI is 83% (80% direct ownership and 3% indirect ownership through FVI)
 *** FDC's effective ownership in EW is 78% (40% direct ownership and 38% indirect ownership through FVI)
 **** Transfer of legal title of ownership is ongoing

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED BY
REVISED SRC RULE 68 (ANNEX 68-J)
JUNE 30, 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 June 30, 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 June 30, 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 June 30, 2023.

	Balance at beginning of period	Additions	Amounts collected	Balance at end of period
Fora Restaurants, Inc. (FRI)	₱4,061,943	₱1,091,809	₱(5,153,752)	₱
Chroma Hospitality, Inc. (CHI)	21,263	196,066	-	217,329
Entrata Hotel Services Inc.		27,735	-	27,735
	₱ 4,083,206	₱1,315,610	₱(5,153,752)	₱245,064

The receivables from related parties pertain to share in common expenses, all are noninterest-bearing and are expected to be settled within the year. There were no amounts written off during the year.

Schedule D. Long-term Debt

This schedule is not applicable since the Company does not have any long-term debt as of June 30, 2023.

Schedule E. Indebtedness to Related Parties

This schedule is not applicable since the Company does not have noncurrent indebtedness to its related parties as of June 30, 2023.

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, 2023.

Schedule G. Capital Stock

<u>Title of issue</u>	<u>Number of shares authorized</u>	<u>Number of shares issued and outstanding as shown under related balance sheet caption</u>	<u>Number of shares reserved for options, warrants, conversion and other rights</u>	<u>Number of shares held by related parties</u>	<u>Directors, Officers and Employees</u>	<u>Others</u>
Common Shares	16,000	4,000	—	3,995	5	None

FORA SERVICES, INC.
DOING BUSINESS AS QUEST HOTEL TAGAYTAY

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	2023	2022
Current Ratio	Total Current assets divided by Total Current Liabilities <div style="text-align: right;"> Total Current Assets ₱123,745,907 Divide by: Total Current Liabilities 109,056,236 <hr/> Current Ratio 1.13 </div>	1.13	1.13
Debt Ratio	Total Liabilities divided by Total Assets <div style="text-align: right;"> Total Liabilities ₱109,056,236 Divide by: Total Assets 125,404,847 <hr/> Debt Ratio 0.87 </div>	0.87	0.87
Quick Asset Ratio	Quick Assets (<i>total current assets less inventories</i>) divided by Current Liabilities <div style="text-align: right;"> Total Current Assets ₱123,745,907 Less: Inventories 1,553,053 <hr/> Quick Assets 122,192,854 Divide by: Total Current Liabilities 109,056,236 <hr/> Quick Asset Ratio 1.12 </div>	1.12	1.12
Solvency Ratio	Net Income before Depreciation (<i>net income plus depreciation</i>) divided by Total Liabilities <div style="text-align: right;"> Net Income ₱2,109,066 Add: Depreciation 339,158 <hr/> Net Income before Depreciation 2,448,224 Divide by: Total Liabilities 109,056,237 <hr/> Solvency Ratio 0.02 </div>	0.02	0.12
Net Profit Margin	Net Income divided by Revenue <div style="text-align: right;"> Net Income ₱2,109,066 Divide by: Revenue 49,958,574 <hr/> Net Profit Margin 0.04 </div>	0.04	0.14

Ratio	Formula	2023	2022
Return on Equity	Net Income divided by Total Equity $\frac{\text{Net Income } \text{₱}2,109,066}{\text{Divide by: Total Equity } 16,348,611}$ Return on Equity 0.13	0.13	0.80
Return on Assets	Net Income divided by Average Total Assets $\frac{\text{Net Income } \text{₱}2,109,066}{\text{Divide by: Average Total Assets } 119,166,832}$ Return on Assets 0.02	0.02	0.12
Asset-to-Equity Ratio	Total Assets divided by Total Equity $\frac{\text{Total Assets } \text{₱}125,404,847}{\text{Divide by: Equity } 16,348,611}$ Asset-to-Equity Ratio 7.67	7.67	7.93

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*
Francis V. Ceballos
Title: President CEO

Signature: *Nancy Rivera*
Nancy Rivera
Title: Treasurer/ Chief Financial Officer

SUBSCRIBED AND SWORN TO BEFORE ME in the City of Mandaluyong
this 14 day of April, 2025, affiant exhibiting to me _____
as his/her competent evidence of identity.

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-23 UNTIL DECEMBER 31, 2024
IBP LIFETIME NO. 011302; 12-28-12; RIZAL
ROLL NO. 53970
PTR NO. 5110-440; 1-3-23; MANDALUYONG
MCLE COMPLIANCE NO. VII 0010250 14 APRIL 2025
UG03 CITYLAND SHAW TOWER,
SHAW BLVD. MANDALUYONG CITY

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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

	2023 (Unaudited)	2022 (Audited)	Change Increase (Decrease) Php	%
REVENUE				
Revenue from services	₱48,461,692	₱31,695,100	₱16,766,592	53%
Other operating departments	1,113,224	9,558	1,103,666	11547%
Miscellaneous	383,658	4,370	379,288	8679%
	49,958,574	31,709,028	18,249,546	58%
COST OF SERVICES	29,383,055	16,097,472	13,285,583	83%
GENERAL AND ADMINISTRATIVE EXPENSES	17,587,770	14,209,428	3,378,342	24%
INCOME (LOSS) BEFORE OTHER INCOME (EXP)	2,987,749	1,402,128	1,585,621	113%
OTHER INCOME (EXPENSE)			-	
Income from insurance claims	-	9,467,928	(9,467,928)	-100%
Interest income	1,187,790	93,013	1,094,777	1177%
Interest expense	(1,442,637)	--		0%
	(254,847)	9,560,941	(9,815,788)	-103%
INCOME (LOSS) BEFORE INCOME TAX	2,732,902	10,963,069	(8,230,167)	-75%
PROVISION FOR INCOME TAX	623,836	2,801,042	(2,177,206)	-78%
NET INCOME (LOSS) / TOTAL COMPREHENSIVE INCOME (LOSS)	₱2,109,066	₱8,162,027	(₱6,052,961)	-74%

Results of operations in the first half of the year were favorably impacted by the changing market behavior brought by relaxed travel restriction, resurgence of domestic tourism and reopening of international borders.

As of June 30, 2023 the company reported a Net Income amounted to ₱2.11 million. Decline of 74% from ₱16million last year was attributed to proceeds from insurance claim which forms part of June financials last year. With the exception of this non-recurring proceeds from insurance, income from business operations remained strong with a notable increase of 113%.

Revenue

For the six months ended June 30, 2023 the company registered high revenue growth of 58% from last year. The increase in revenue was driven by the increase in ADR (average daily rate) of 7% coupled with growth in occupancy rate from 42% last year to 57% same period mid-year of 2023. Income from other operating departments and miscellaneous income increased significantly from last year due additional revenue source such as spa and minibar.

Cost of Services

Cost of services increased by 83% corresponding to the increase in business volume and elevated inflation rate. Apart from the increase in variable cost, the company incurred variable lease rental from lease agreement with FLI amounting to ₱9.26 million, Lease agreement with FLI was officially terminated on May 17, 2023 upon issuance of Certificate of Permit to Offer Securities by SEC.

General and Administrative Expenses

For the six months ended June 30, 2023 and 2022, general and administrative expense resulted to Php3.38 million increase, from Php14.20 million in June 2022 to Php17.59 million in 2023. 24% increment attributed to increase in operational cost related to increase in revenue

Other Income (Expenses)

Other Income (Expenses) consists of accrued interest expense intended for income distribution, income from insurance claim, and interest income earned from deposits. Decrease of 103% was mainly due to proceeds from insurance claims recorded in June 2022. As of June 30, 2023 the company accrued a distributable participation interest amounting to ₱ 1.44M in compliance with the calculation presented in Condotel Participation Agreement (CPA). Other income from deposits for the past six months amounted to ₱1.19 million.

Provision for Income tax

For the six months ended June 30, 2023 and 2022, provision for current income tax and deferred tax are recognized based on 25% effective income tax rate. 74% decrease in provision from income tax primarily due to decline in net income earned subject to tax for the period.

STATEMENTS OF FINANCIAL POSITION

	30-Jun-23 (Unaudited)	31-Dec-22 (Audited)	Change Increase (Decrease)	
			Php	%
ASSETS				
Current Assets				
Cash and cash equivalents	₱109,726,513	₱93,150,373	16,576,140	18%
Receivables	9,451,107	11,536,941	-2,085,834	-18%
Due from related parties	245,064	4,083,206	-3,838,142	-94%
Inventories	1,553,053	1,673,358	-120,305	-7%
Other currents assets	2,770,170	1,524,101	1,246,069	82%
Total Current Assets	₱123,745,907	₱111,967,979	11,777,928	11%
Noncurrent Assets				
Property and equipment	889,779	577,306	312,473	101%
Software costs	769,161	383,529	385,632	73%
Total Noncurrent Assets	1,658,940	960,835	698,105	2
	₱125,404,847	₱112,928,814	12,476,033	11%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	81,280,299	68,078,227	13,202,072	19%
Contract liabilities	1,872,144	3,200,181	-1,328,037	-41%
Due to related parties	25,903,793	27,410,861	-1,507,068	-5%
Total Liabilities	₱109,056,236	₱98,689,269	10,366,967	11%
Equity				
Capital stock	400,000	400,000		0%
Retained earnings	15,948,611	13,839,545	2,109,066	15%
Total Equity	16,348,611	14,239,545	2,109,066	15%

₱125,404,847	₱112,928,814	12,476,033	11%
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As of June 30, 2023 financial position of the company remained strong with total assets of ₱125.40 million Increase in total assets was driven by of 18% growth in cash and cash equivalent and 73% increase in capital expenditures.

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%. For the six months ended June 30, 2023 total cash balance increased by 18% attributed to the increase in operating cash flow, upward trend in revenue and collection of receivables

Receivables

As of June 30, 2022 total accounts receivables amounted to ₱9.45 million. 18% decrease driven by improved collection days. Decline in receivable is the same percentage rate as the increase in cash.

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, 2023 amounted to ₱1.55M, reduced by 7% from December last year.

Other Current Assets

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

For the six months ended June 30, 2022, other assets grew by 82% from ₱1.52 million to ₱2.77 million mainly from prepaid insurance and advances to suppliers.

Noncurrent Assets

Noncurrent assets consist of property and equipment and software cost.

Total non-current assets amounted to ₱1.65 million and ₱0.96million for the six months ended June 30, 2023. Increase of 73% was attributed to capex acquisition.

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, 2023 total due to related party amounted to ₱25.90 million and ₱.24 million due from affiliates.

Accounts and Other Payables

For the six months ended June 30, 2023 Accounts and other payables amounted to ₱81.28 million equivalent to 19% increase. Increment was driven by additional accrual of electricity, contract services, system and operating requirements incurred during the period.

Contract Liabilities

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

For the six months ended June 30, 2023, contract liabilities went down to 41% attributed to additional deposits from guests offset against usage of deposits from room reservation.

Equity

Overall increase of 15% mainly due to the increase in retained earnings as a result of net income earned during the period.

Performance Indicators	JUNE 30. 2023	DEC 31. 2022	
Current Ratio	1.13	1.13	<i>Current ratio is calculated by dividing total current assets over total current liabilities.</i>

Debt Ratio	0.87	0.87	<i>Debt ratio is computed as total liabilities over total assets.</i>
Net Profit Margin	1.12	1.12	<i>Net Profit margin is the result of net income after dividing total revenue</i>
Return on Equity	0.13	0.80	<i>Return on Equity is calculated by dividing net income over total equity.</i>
Return on Assets	0.02	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	%
REVENUE				
Revenue from services				
Rooms	₱80,368,185	₱34,558,988	₱45,809,197	133%
Other operating departments	767,124	34,052	733,072	2153%
Miscellaneous	737,716	125,802	611,914	486%
	81,873,025	34,718,842	47,154,183	136%
COST OF SERVICES	44,026,324	12,612,415	31,413,909	249%
GENERAL AND ADMINISTRATIVE EXPENSES	33,015,365	19,949,628	13,065,737	65%
OTHER INCOME (EXPENSE)				
Income from Insurance claims	9,467,928	-		0%
Interest income	823,206	35,191	788,015	2239%
Interest expense	-	(43,449)	43,449	(100%)
Other income	-	1,197,514	(1,197,514)	(100%)
	10,291,134	1,189,256	9,101,878	765%
INCOME BEFORE INCOME TAX	15,122,470	3,346,055	11,776,415	352%
PROVISION FOR INCOME TAX	3,740,634	834,806	2,905,828	348%
NET INCOME /	₱11,381,836	₱2,511,249	₱8,870,587	353%
TOTAL COMPREHENSIVE INCOME (LOSS)				

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

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

Cash and Cash equivalents

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

Receivables

This account consists of receivable from Corporate, travel agency and individuals, receivable from in-house guests and from banks for sales settled through credit cards. As of 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			Change Increase (Decrease) Php	%
	2021	2020			
REVENUE					
Revenue from services					
Rooms	₱34,558,988	₱39,046,904	(₱4,487,916)		-11%
Other operating departments	34,052	23,634	10,418		44%
Miscellaneous	125,802	40,019	85,783		214%
	34,718,842	39,110,557	(4,391,715)		-11%
COST OF SERVICES	12,612,415	13,720,374	(1,107,959)		-8%
GENERAL AND ADMINISTRATIVE EXPENSES	19,949,628	21,732,724	(1,783,096)		-8%
OTHER INCOME (EXPENSE)					
Interest income	35,191	30,389	4,802		16%
Interest expense	(43,449)	(472,985)	429,536		-91%
Other income	1,197,514	-	1,197,514		100%
	1,189,256	(442,596)	1,631,852		369%
INCOME BEFORE INCOME TAX	3,346,055	3,214,863	131,192		4%
PROVISION FOR (BENEFIT FROM) INCOME TAX	834,806	(23,141)	857,947		-3707%
NET INCOME / TOTAL COMPREHENSIVE INCOME	₱2,511,249	₱3,238,004	(₱726,755)		-22%

Revenue

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

Cost of Services

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

General and Administrative Expense:

Decreased by 8% from Php21.7million 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	%
ASSETS				
Current Assets				
Cash and cash equivalents	₱60,507,260	₱7,028,570	₱53,478,690	761%
Receivables	12,817,984	49,988,938	(37,170,954)	-74%
Due from related parties	-	342,737	(342,737)	-100%
Inventories	1,164,062	1,304,449	(140,387)	-11%
Other currents assets	5,198,175	3,652,531	1,545,644	42%
Total Current Assets	79,687,481	62,317,225	17,370,256	28%
Noncurrent Assets			-	
Right-of-use asset	-	1,209,154	(1,209,154)	-100%
Software cost	478,161	593,916	(115,755)	-19%
Deferred tax asset	-	29,219	(29,219)	-100%
Total Noncurrent Assets	478,161	1,832,289	(1,354,128)	-74%
	₱80,165,642	₱64,149,514	₱16,016,128	25%
			-	
LIABILITIES AND EQUITY			-	
Current Liabilities			-	

Accounts and other payables	₱41,330,154	₱34,198,503	₱7,131,651	21%
Contract liabilities	726,507	712,658	13,849	2%
Due to related parties	35,251,272	27,585,342	7,665,930	28%
Lease liability	-	1,306,551	(1,306,551)	-100%
Total Liabilities	77,307,933	63,803,054	13,504,879	21%
Equity				
Capital stock	400,000	400,000	-	0%
Retained earnings (deficit)	2,457,709	(53,540)	2,511,249	-4690%
Total Equity	2,857,709	346,460	2,511,249	725%
	₱80,165,642	₱64,149,514	₱16,016,128	25%

Cash and Cash equivalents

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

Receivables

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

Inventories

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

Other Assets

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

Non-current Assets

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

Accounts and other payables

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

Contract liabilities

Increase due to additional guest deposits for the year

Due to related parties

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

Lease liability

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

Equity

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

Performance Indicators	2021	2020	
Current Ratio	1.03	0.98	<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>

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		Change Increase (Decrease)	
	2020	2019	Php	%
REVENUE				
Revenue from services				
Rooms	₱39,046,904	₱34,759,555	₱4,287,349	12%
Other operating departments	23,634	220,282	(196,648)	-89%
Miscellaneous	40,019	139,367	(99,348)	-71%
	39,110,557	35,119,204	3,991,353	11%
COST OF SERVICES				
	13,720,374	18,632,457	(4,912,083)	-26%
GENERAL AND ADMINISTRATIVE EXPENSES				
	21,732,724	19,787,888	1,944,836	10%
OTHER INCOME (EXPENSE)				
Interest income	30,389	16,996	13,393	79%
Interest expense	(472,985)	-	-472,985	100%
	(442,596)	16,996	(459,592)	-2704%
INCOME (LOSS) BEFORE INCOME TAX				
	3,214,863	(3,284,145)	6,499,008	-198%
PROVISION FOR (BENEFIT FROM) INCOME TAX				
	(23,141)	3,399	(26,540)	-781%
NET INCOME (LOSS) /				
TOTAL COMPREHENSIVE INCOME (LOSS)				
	₱3,238,004	(₱3,287,544)	₱6,525,548	-198%

Revenue

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

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

Cost of Services

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

General and Administrative Expenses

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

Other Income (Expense)

Interest income increased by 79%, mainly due to income earned from short-term deposits .

Interest expense increased by Php 0. 5 million from nil in prior year due to recognition of interest expense from lease liability.

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

STATEMENTS OF FINANCIAL POSITION

	December 31			
	2020	2019	Change Increase	(Decrease)
			Php	%
ASSETS				
Current Assets				
Cash	₱7,028,570	₱24,748,148	(₱17,719,578)	-72%
Receivables	49,988,938	4,794,648	45,194,290	943%
Due from related parties	342,737	547,396	(204,659)	-37%
Inventories	1,304,449	1,033,376	271,073	26%
Other currents assets	3,652,531	1,186,812	2,465,719	208%
Total Current Assets	62,317,225	32,310,380	30,006,845	93%
Noncurrent Assets				
Right-of-use asset	1,209,154	-	1,209,154	100%
Software cost	593,916	-	593,916	100%
Deferred tax asset	29,219	-	29,219	100%
Total Noncurrent Assets	1,832,289	-	1,832,289	100%
	₱64,149,514	₱32,310,380	₱31,839,134	99%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	₱34,198,503	₱9,432,220	₱24,766,283	263%
Contract liabilities	712,658	884,022	(171,364)	-19%
Due to related parties	27,585,342	24,885,682	2,699,660	11%
Lease liability	1,306,551	-	1,306,551	100%
Total Liabilities	63,803,054	35,201,924	28,601,130	81%
Equity (Capital Deficiency)				
Capital stock (Note 13)	400,000	400,000	-	0%
Retained earnings (Deficit)	(53,540)	(3,291,544)	3,238,004	98%
Total Equity (Capital Deficiency)	346,460	(2,891,544)	3,238,004	-112%
	₱64,149,514	₱32,310,380	₱31,839,134	99%

Cash and Cash equivalents

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

Receivables

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

Due from Related Parties

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

Inventories

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

Other Current Assets

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

Non-Current Assets

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

Accounts and Other Payables

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

Contract Liability

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

Due to Related Parties

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

Lease Liability

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

Equity

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

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

Other Matters

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

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

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

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

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

Seasonality

The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures throughout the country starting March 16, 2020 have caused disruptions in the Company's business activities. The Company continues to abide by and comply with all rules and regulations issued by the government in relation to the COVID-19 pandemic. In line with applicable rules and regulations, the said risks are mitigated by business continuity strategies set in place by the Company. Measures currently undertaken by the Company to mitigate the risks of COVID-19 pandemic on its operations include work-from-home arrangements, proper and frequent sanitation of office premises, and the practice of social distancing through remote communication, among others.

In 2022, reopening process for hotel operators has slowly begun as domestic and international travel gradually reduced restrictions. Hotel operations in January 2022 was generally affected by the surge of COVID 19 cases. In February 2022, hotel operations improved due to implementation of Alert Level 1 and the change to multiple use from quarantine facility. These changes drive the increasing revenue trend starting first quarter of 2022.

In 2023 the post-pandemic urge to travel remained strong which drive continued growth in the first half of the year. Leisure demand continued to rise with a growth of 42% in occupancy mainly due to relaxed travel restrictions and revenge travel.

Plan of Operation

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

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

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

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

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

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

FORA SERVICES, INC.
doing business as Quest Hotel Tagaytay

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

Held on 21 December 2022 at 11:30 am
via remote communication (through Microsoft Teams)

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

Also Present:

Maria Victoria R. Beltran
Jennifer C. Lee
Maria Laviña Rae J. Fabros

I. PRESIDING OFFICER AND SECRETARY

The Acting Chairman of the Board of Directors (the "Board") of Fora Services, Inc., doing business as Quest Hotel Tagaytay (the "Corporation"), **MR. FRANCIS NATHANIEL C. GOTIANUN**, presided over the meeting, while **ATTY. JENNIFER C. LEE** was requested to act as secretary of the meeting and record the minutes thereof.

II. QUORUM AND CALL TO ORDER

The secretary of the meeting certified that notice of this meeting had been sent to all stockholders.

Thereafter, the secretary of the meeting certified that all the stockholders of the Corporation were present or represented at the meeting *via* teleconference. Thereupon, the Acting Chairman declared the presence of a quorum and called the meeting to order.

III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 29 OCTOBER 2021

Upon motion made and duly seconded, and in the absence of any objection, the stockholders unanimously approved the minutes of the annual meeting of the stockholders held on 29 October 2021.

IV. PRESIDENT’S REPORT

The President and Chief Executive Officer (“CEO”) of the Company, Mr. Francis V. Ceballos, presented the President’s Report.

V. RATIFICATION OF THE 2021 AUDITED FINANCIAL STATEMENTS

Upon motion made and duly seconded, the 2021 Audited Financial Statements were approved, confirmed, and ratified, and the following resolution was accordingly passed:

“RESOLVED, That the Company’s Audited Financial Statements as of and for the year ended 31 December 2021 be approved, confirmed and ratified.”.

VI. RATIFICATION OF ALL THE ACTS, RESOLUTIONS, AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT UP TO 21 DECEMBER 2022

Upon motion made and duly seconded, all the acts, resolutions, and proceedings of the Board of Directors and Management from the date of the last stockholders’ meeting until 21 December 2022 were approved, confirmed, and ratified, and the following resolution was accordingly passed:

“RESOLVED, That all of the acts, resolutions, and proceedings of the Board of Directors and Management from the date of the last annual stockholders’ meeting until 21 December 2022 be, as they are hereby, approved, confirmed, and ratified.”

VII. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR

Upon motion made and duly seconded, and in the absence of any objection, the stockholders approved the re-appointment of SyCip Gorres Velayo & Co. as independent external auditor of the Corporation for the year 2022. The following resolution was accordingly passed:

“RESOLVED, That the re-appointment of the accounting firm of SyCip Gorres Velayo & Co. as the independent external auditor of the Corporation for the year 2022 be, as it is hereby, approved.”

VIII. ELECTION OF DIRECTORS

The Acting Chairman explained that in accordance with the Revised Corporation Code of the Philippines and the By-Laws of the Corporation, the

stockholders must now elect the members of the Board of Directors of the Corporation, who shall hold office for a term of one (1) year, or until their successors shall have been duly elected and qualified.

Whereupon, the following were nominated and unanimously elected as members of the Board of Directors to serve for the year 2022-2023 and until their successors shall have been elected and qualified:

Name
Francis Nathaniel C. Gotianun
Francis V. Ceballos
Ana Venus A. Mejia
William Michael V. Valtos Jr. <i>(Independent Director)</i>
Nicasio C. Cabaneiro <i>(Independent Director)</i>

IX. ADJOURNMENT

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

CERTIFIED CORRECT:

JENNIFER C. LEE
Secretary of the Meeting

ATTESTED BY:

FRANCIS NATHANIEL C. GOTIANUN
Acting Chairman of the Board