

DISCOVERY WORLD

Spreading Joy through Unparalleled Service

Discovery World Corporation leads the way in providing a positive impact to its communities

An Expected Side Effect

International and industry awards
Discovery World Corporation won as it continues to provide impeccable service and unforgettable experiences

Creating a Bigger Social Impact

The beating heart of Discovery World Corporation is its exemplary employees

2019 ANNUAL REPORT



TABLE OF CONTENTS

- 2** President's Report
- 4** An Expected Side Effect
- 5** Spreading Joy through Unparalleled Service
- 6** Setting the Stage for Storytelling
- 8** Raising the Bar in Beach Destinations
- 12** Finding Paradise
- 16** Living on the Edge of Adventure
- 18** Enthralled with the Scent of Vanilla
- 20** Riding the Wave in Siargao
- 22** Sustainable Development in San Vicente
- 23** Beach for Days
- 24** Postcard Perfect Possibilities
- 25** Creating the Magic
- 26** Trailblazing Thought Leadership in the Asia-Pacific Region
- 27** Creating a Bigger Social Impact in 2019
- 33** 2019 Audited Financial Statements
- 42** Key Officers
- 43** Board of Directors

VISION

To create memorable experiences and enrich people's lives in a World of Discovery.

MISSION

Create a World of Discovery by 2030, expanding our reach to at least 10 destinations in the Philippines



PRESIDENT'S REPORT

Dear Fellow Shareholders,

On behalf of Management, I am pleased to report that 2019 was an excellent year for Discovery World Corporation (DWC) and its subsidiaries.

We experienced a 71% surge in group-wide revenues, booking PhP 958.637M in 2019 compared to only PhP 561.541M during the previous year in 2018, during which we went through a 6-month closure of the Boracay island to pave way for its rehabilitation. For a more leveled comparison, our revenue figure was also 40% higher than in 2017, exhibiting a picture of sustained growth for the company and its tourism prospects. For the Group, this was fueled by a healthy combination of organic growth from its existing operations and new revenue streams.

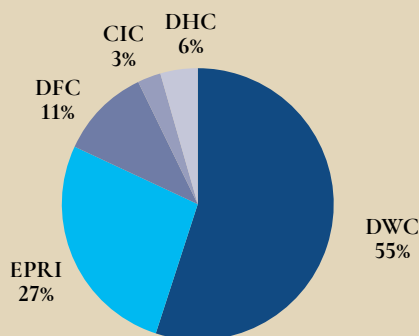
As may be recalled, Discovery Shores Boracay (DSB) was one of the first few environmentally compliant resorts in the island based on the government's list of establishments which could operate as early as October 26, 2018. This gave DSB, our flagship property, a chance to ramp up its operations following the closure and bounce back with a full year of operations in 2019. The resort managed to generate PhP 526.737M in revenues, 111% higher than our 2018 figure and 26% higher than our 2017 figure. Occupancy of our 88 Rooms stood at 73% versus 40% in 2018, while our newly-launched "Signature Suites," consisting of 11 indulgent suites, had an average occupancy level of 56%. We were delighted to welcome everyone back home to DSB.

Meanwhile, over in Dimakya Island, Coron, Palawan, our resort Club Paradise (CP) was able to generate a great 64% occupancy level as the resort's 50 keys generated PhP 257.436M in revenues, representing a 12% growth from 2018. Management continues to be bullish on the growth potential of this property, investing in 36 new rooms and a new specialty restaurant which are slated to open next year. With this development, we hope to share the majestic island experience of Club Paradise Palawan to many more guests.

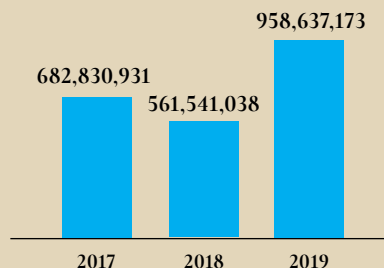
Like its affiliates, Discovery Fleet Corporation (DFC) had a remarkable 2019. Service revenues rose by 37% to PhP 103.162M from only PhP 75.568M previously, surpassing internal targets and expectations. Our 2 vessels, namely Discovery Palawan and Discovery Adventure, had a total of 36 trips in 2019. We sailed with over 800 paying guests to various snorkeling and diving sites in the Philippines such as Tubbataha, Apo Reef, and Coron. Annual revenues of our dive shop in Club Paradise rose by 15%, also contributing significantly to the company's revenue growth.

On the other hand, Cay Islands Corporation (CIC), which operates the Group's retail space leasing business called "Shoppes at Vanilla Beach" in El Nido, Palawan, brought in PhP 28.021M in rental income in 2019 compared to PhP 4.758M during the 4th quarter of 2018 when it first opened. More than just delivering additional recurring income, Shoppes at Vanilla Beach is also the Group's first foray into retail development, something which may also become a staple element for our larger developments in the future.

DWC Group Revenue Mix Percentages



DWC Group Year-on-Year Revenues



I am also proud to share that, last April 2019, DWC was able to launch operations under its newly-formed subsidiary, Discovery Hospitality Corporation (DHC), whose mandate and thrust is to provide clients both coming from in and out of the hospitality industry with management services, of which the Discovery group has built decades of experience with. Aside from serving its present customer base of five properties (Discovery Shores Boracay, Club Paradise Palawan, Discovery Primea Makati, Discovery Suites Ortigas, and Discovery Country Suites Tagaytay), DHC has also been in having discussions with various potential clients since its inception. Through management and incentive fees, new contracts will be expected to grow DHC's revenue contribution to Discovery World Corporation, which amounted to PhP 56.871M in 2019.

Months from now, we expect to add another resort in our portfolio when we finish constructing our 117-room hotel (with an 84-bunk bed hostel component) in Vanilla Beach, El Nido, Palawan. The project launch will coincide with the launch of our new brand called "Kip&Kin," which aims to target the generation of young travelers. Further to these, we are also in process of designing many other projects in other locations which may soon be ready for development.

Whereas the past decade was all about honing our expertise and building our organization, I am very much excited to take Discovery on to greater heights as we enter a period of growth, development, and expansion. We have many ideas and projects in our drawing board that we cannot wait to deliver for both our local and international tourists.



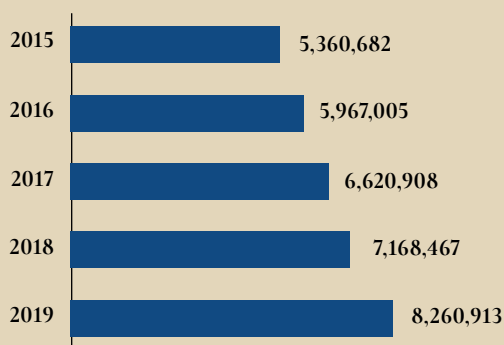
With our Chairman and the rest of DWC Management, I would like to express our deep gratitude for your continued support. I look forward to keeping you updated on our organization as we remain steadfast in our commitment to trailblazing Filipino hospitality and providing "service that is all heart."

Maraming Salamat po!

Yours Truly,

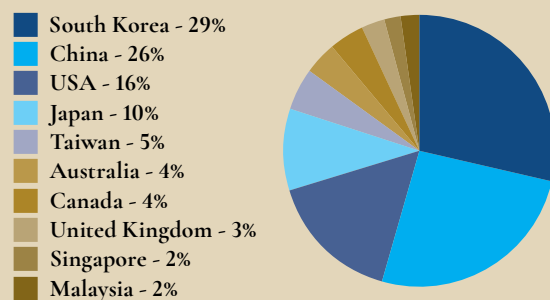
Jose C. Parreno, Jr.
President

PH Foreign Visitor Arrivals



Source: <https://tourism.gov.ph>

PH International Tourist Arrivals - Top 10 Countries (2019)



Source: <https://www.philstar.com/headlines/2020/02/17/1993921/philippines-surpasses-2019-target-82-m-foreign-tourist-arrivals>

AN EXPECTED SIDE EFFECT

At Discovery World Corporation, we don't start out with awards or accolades in mind. All we seek is to provide impeccable service for our guests, to give each visitor unforgettable experiences at our world-class luxury destinations. If we get noticed for our effort, then that's a bonus we'll gladly accept.

Here are the international and industry awards we won in 2019.



2019 AWARDS DISCOVERY SHORES BORACAY

TRIPZILLA EXCELLENCE AWARDS 2019
Best Luxury Hotel

THE CHOICE 2019
Favorite Beach Resort Hotel
(Hall of Fame)

HOTELS.COM
Loved by Guests SPA Winner 2019
9.4/10 rating (only winner in the Philippines)

TRIP ADVISOR
Certificate Excellence Hall of Fame, 2019

TRIP ADVISOR
2019 Travellers' Choice
No.14, Top 25 Hotels – Philippines
No. 20, Top 25 Hotels for Service – Philippines

DESTINASIAN MAGAZINE
2019 Reader's Choice Awards
No 9, Top 10 Best Hotels in the Philippines



2019 AWARDS CLUB PARADISE PALAWAN

TRIPZILLA EXCELLENCE AWARDS 2019
Best Romantic Getaway

2019 WORLD LUXURY HOTEL AWARDS
Luxury Family Beach Resort,
Global Winner

HITCHBIRD WEDDING AWARDS 2019
Best Destination Wedding Venue in Asia

HOTELSCOMBINED
2019 Recognition of Excellence
Score of 8.7 Rated by Guests

TRIP ADVISOR
Certificate Excellence Hall of Fame, 2019

SPREADING JOY THROUGH UNPARALLELED SERVICE

The beating heart of Discovery World Corporation is its exemplary employees

The foundation of any organization in the hospitality industry is its staff. These are the people who take care of our customers, making sure all their needs are met and their expectations exceeded. The success of Discovery World Corporation, reaping industry awards every year and earning genuine expressions of praise from our guests, demonstrates that our foundation is STRONG. Embodying “service that’s all heart,” our team members don’t just believe in their mission, they embody it.



CHIEF JOY OFFICER

Among our efforts to ensure that this level of care and “malasakit” is cultivated, propagated and encouraged, Discovery World Corporation has embarked on the Chief Joy Officer program. We select key individuals in our resorts to assume the role of Chief Joy Officer (CJO). These are the people who can represent what the program hopes to achieve, to create exemplary experiences which will bring joy to our guests. The CJO serves as both an example for other staff members to emulate, and a cheerleader who can spread and encourage this mission and outlook, fostering an alignment of personal purpose to brand purpose.

Zumba Contra Ursula

One of the projects of the CJOs of Club Paradise Palawan was Zumba for a Cause, where 100% of the class fees charged were donated to victims of Ursula, a typhoon which swept across the Philippine on Christmas Eve 2019, took the lives of at least 47 people and displacing thousands more. The class was led by CJOs Jong, Pegie, Raffy and Eunice and joined by guests and other staff.

Attention Over and Beyond

In order to bring joy to their guests, CJOs are encouraged to interact closely with their the guests, asking whether they have special needs or if anyone is celebrating a birthday. These details are then relayed to other departments so the entire team can create unforgettable WOW moments for the guests, like a surprise complimentary birthday cake being personally delivered to the guest’s room, organizing romantic moonlight dinners, giving token gifts for the kiddies and more. CJOs also encourage guests to provide feedback and reviews, in order to find out what best practices should be maintained.

Creating Genuine Bonds

The CJO is at the forefront of who can create and grow genuine and lasting bonds with their guests. This creates a customer who is eager to return and who will share stories of their wonderful trip to potential new guests. We want them to feel welcome, safe, valued, and at home in our resorts so that we will be top of mind the next time they are planning a vacation.



SETTING THE STAGE FOR STORYTELLING

Finding validation in customer satisfaction.

At Discovery World Corporation, we have one core job: to set the stage upon which a guest's stories can unfold. With service that's all heart, we strive to give our guests the perfect environment in which to play out the expectations in their mind's eye. When their expectations are met and exceeded, we find validation in the satisfaction of our guests, expressed through cheer and laughter, bated breath and wide-eyed wonder, and in the stories they can't stop telling. Their kind words not only uplift our morale, they motivate us to do even better.

Here are some of the best testimonials we received in 2019.

Making Birthdays Unforgettable

Dear Melvin,

On behalf of my family, thank you for making our vacation worth remembering.

The kids loved the suite very much. Your entire team treated us like royalty.

The birthday dinner was perfect. The food was absolutely scrumptious, and the service was impeccable. In fact, we were still talking about it until now!!

Again, thank you for contributing to the Casasis Family's cherished moments. See you again soon?

*- Angelo Casasis,
Discovery Shores Boracay guest*

Attention to Detail

From the warm welcome, the delightful welcome drinks, Ysobella's surprise birthday cake that was unbelievably gluten and dairy free and delicious... we truly felt the heartfelt welcome. All the staff were warm and attentive. Pizzas and pastas at Forno were really good!!! After some river and beach activities, we would always come home to clean rooms with a fresh supply of pandan water which we love. The kids just love the beach at Station 1. Discovery's thoughtful hospitality and the beautifully serene beach was just the perfect combination of a truly gratifying vacation. From all our yearly vacations, it was the first time my daughter said, "I'm not ready to go home yet Mama." ☺ Heartfelt thanks to Ms. Cloven and the staff for making Ysobella's 9th birthday extra special. ♥

- Review from TripAdvisor
Discovery Shores Boracay guest

Going the Extra, Extra Mile

Dearest DSB Management,

Our deepest gratitude for the unwavering help and support you have shown us during our stay. Our stay was different because our son got sick, but everyone did all their best efforts to make our stay safe and comfortable. Hospitality to describe it would be an understatement, it's beyond words. Beyond gratitude from Ms. Angela, Pia, Christine, Jewel, Louise and Janus. From the driver who accompanied us to St. Gabriel. To Nurse Cham, to the housekeeping from who woke up to change our bedding on Tuesday and to the team who gave us Hypo Allergenic Beddings. Maraming Salamat po! To the security staff, Bryon and his team, for looking after my brother who has special needs, and the lifeguard on duty by the pool, Pab. To the food and beverage team, Marian, Marlon, butler staff, Ernest and company.

Taos pusong pasasalamat po.

- Mr. Villanueva
Discovery Shores Boracay guest

A Family Tradition

We have been celebrating our family New Year's vacation at Discovery Shores from the time they opened 12 years ago. We intend to keep that tradition for the next 12 years and beyond. We have tried other luxury resorts in the island but nothing compares to the service of Discovery Shores. If you want to party, relax and bond with family and friends nothing beats being part of the Discovery family. It has been our home for the past 12 years.

- Review from TripAdvisor
Discovery Shores Boracay guest

Just Like Coming Home

Dear Discovery Shores,

It's the fourth time we chose here when we spent vacation in Boracay. The people here are very friendly to us. Make us feel back home again.

We'd like to take this opportunity to thank Donna, she helped us solve many problems in reservation. And we'd like to thank Pabs, Jigs, Jenil, Gen, Paul, Rowel, Earnest and Rafael. They gave us help when we need it and much more happiness.

Thank you all again. We love people here, I love Discovery Shores!

- Gao Juan Juan, Zhou Zhao Hui and Zhou Ruo Xi
Discovery Shores Boracay guests

Our Signature Service

Dearest Melvin Cabrera,

I am writing to express our utmost gratitude and appreciation for the quality of service you offered us, same with your crew members. We had a wonderful time. It was an excellent decision to come back and stay here again. Very high quality of service offered in all the facilities of your gorgeous hotel. This is definitely added to the excellent service of the staff in every segment of the hotel. Special thanks to the GEM representative and 360 roof lounge staff members, with whom we have in contact, was kind, attentive and professional. We just wanted to let you know how much we valued that effort, how impressive and how greatly we appreciate everything that you personally and the staff did for us. We will definitely recommend your signature suite and hotel. Thank you so much again for your outstanding service.

Sincerely,
April Surdilla and Family
Discovery Shores Boracay guests

The Likes Do Count

Manager, Staff & the rest of the people of Club Paradise,

My wife and I had a wonderful, quiet & fantastic weekend here at your place while attending a very special occasion of Estephen and Kristine.

Thank you for keeping our room nice & tidy.

2,000 likes for your service, 3,000 likes for your smiles,
1M likes for your place

Thanks,
Rex & Roch
Club Paradise Palawan guests

RAISING THE BAR IN BEACH DESTINATIONS

Discovery Shores Boracay continues to be the island's partner in growth





One amazing thing about living in an archipelago like the Philippines is that great island escapes are within easy striking distance from any major city center. From the urban chaos of Manila, you can find yourself transported to an utterly different world – under endless palm trees swaying in the ocean breeze, powdery white sand between your toes, and hypnotic blue waters lapping gently against the beach – within a brief hour and a half flight. Among these island escapes, none is as internationally renowned as Boracay.

Located in the province of Aklan, Boracay has enjoyed being on many of the travel industry's Top Ten lists for the past few years, best beach, best island, best destinations to watch, the lists go on. Credit this to the island itself, with its unparalleled natural treasures, and to destinations like Discovery Shores Boracay. Situated in the northern, most exclusive part of White Beach known as Station 1, Discovery Shores stands proud, a premiere resort offering 88 luxurious guest rooms and 11 top shelf Signature Suites for the discriminating local and international traveler. It opens its doors for solo travelers and couples, and is also a very family-friendly facility.

Only the finest amenities await its guests, and the best restaurants and facilities on the island are yours to enjoy. Discovery Shores Boracay promises guests an experience that they will not soon forget. With Discovery's signature hospitality, the resort's staff are ready to serve and provide you with a pampered stay.

A SIGNATURE IS A BOND OF TRUST

When Boracay was closed for six months following Philippine President Rodrigo Duterte's order to rehabilitate Boracay, Discovery Shores took the opportunity to give itself a makeover. During this time, its newest luxury accommodations, the Signature Suites, were born. Launched on October 26, 2018, these 11 suites were conceptualized by designer Manny Samson and form the resort's new premiere wing. Each suite has a dining area and a full-sized living room that opens up to a balcony with its own private infinity pool. The bedroom and bathroom are huge and meticulously-appointed with creature comforts galore. Guest Experience Makers address your needs and make them happen!



FINERY IN DINING

If you want to indulge in gastronomic pleasures or just kick back with a cocktail or two, Discovery Shores Boracay has you spoilt for choice. Indigo Restaurant is its most popular dining destination, serving an excellent seasonal menu and offering the island's best selection of wines. The restaurant has been featured several times in the Philippine Tatler's Best Restaurants List and is shortlisted in the 2010/2011 MIELE Guide to Asia's Best Restaurants. Forno Osteria serves Italian by way of Sicily, and offers the best steak and pasta on the island. The Charcuterie Platter and the homemade linguini vongole are exquisite. Then, offering an untrammelled 360 degree view of the island and ocean is the exclusive 360 Roof Lounge. If it's a downtempo, decompressing mood you want, this is the place to be.



DESTINATION: WEDDING

Just as Boracay is a favorite destination for travelers, it is also among the most popular destinations for weddings. Discovery Shores Boracay is a magical venue for your wedding and reception, the perfect romantic setting for a new adventure together, and an unforgettable send-off by your family and friends. To make this an easier decision for engaged couples who just want everything to be perfect, Discovery Shores Boracay offers several unique wedding packages. If you want to tie the knot in impeccable style, all you need to do is make an inquiry.

OVERLOOKING PARADISE

The latest idyllic space to open at the Discovery Shores Boracay is its Clubhouse Deck. Once an unused vacant area above the Clubhouse, the Clubhouse Deck offers an elevated view of White Beach, and privacy from the foot traffic at ground level. The space can be used for different functions, including weddings, meetings and private parties. On days without special events, you can lounge on the many beach beds that are set up for you to enjoy the sunset and scenery that Boracay offers.

Just as Boracay is a beach destination you'll want to come back to, once you've luxuriated in the Discovery Shores Boracay experience, you won't want to look anywhere else.





FINDING PARADISE

Coron's Club Paradise Palawan is the tropical island destination you'd want to get marooned in.



To find the most sublime destinations, you have to make the effort to go further afield. It's really off the beaten path where you'll find the magic, that elusive sense of bliss, far away from the crowds, the pollution and the overdevelopment. Such a place is Club Paradise Palawan, Discovery World Corporation's remote luxury resort on the island of Dimakya in Coron, Palawan.

Club Paradise Palawan is located within Palawan's protected UNESCO Biosphere Reserve, with its magnificent landscapes and seascapes. The 19-hectare island resort is home to a diverse array of flora and fauna, including sea turtles and dugongs, which live and feed in the waters surrounding the island. Its beach is 700 meters long, overlooking the clear blue waters of the West Philippine Sea. If it's a tropical paradise you are looking for, then this is the textbook definition.

Amid this lush tropical backdrop is the brand of hospitality and service that Discovery is famous for. Club Paradise Palawan has fifty rooms, including garden suites and well-appointed thatched beachfront villas with private balconies. The resort presents a wide range of activities for all types of guests, offering a selection of activities such as kayaking, paraw sailing, reef diving, hiking and Coron island hopping as well as plenty of lounging options. There is even the Glow Spa for those who want a bit of personal maintenance.



BAREFOOT WEDDINGS

Club Paradise Palawan has long been a beach wedding favorite due to its overwhelming beauty, earning a Hitchbird Wedding Award in 2019 for Best Destination Wedding Venue in the Philippines and the global award for Luxury Wedding Destinations from the World Luxury Hotel Awards the year before that. If you've ever wondered whether you could pull off a barefoot wedding, this is the place to do it.



SEE FOOD, EAT FOOD

A beach resort would not be worth its salt if it could not provide an enthralling seafood experience, which is exactly what the Firefish restaurant promises. With a medley of fresh seafood and tender meats served with the goodness of fruits, vegetables and organically-grown herbs and spices from the resort's own garden, Firefish restaurant's menu features local and international dishes prepared by its young and vibrant culinary team. Also on the horizon, is the soon-to-open Sinag restaurant, which will offer classic Filipino cuisine.



AN UNBEATABLE VIEW

Apart from its garden suites and villas, Club Paradise Palawan is set to add 36 more suites to its selection of accommodations. Set to open later in 2020, the Ocean View suites will offer a commanding view of the ocean from its hillside perch.





AS THE SUN GOES DOWN

When you want a truly magical Palawan dining experience, the resort can whip up a moonlight dinner under the stars for couples or small groups. Start it off by watching the sun disappear over the horizon with drinks from the nearby Dugong Bar, then have an intimate dinner under the Coron sky.



ADVOCATE FOR THE ENVIRONMENT

Club Paradise Palawan is a staunch advocate for environmental sustainability. Through its EcoConserve CSR program, it walks its talk by integrating its sustainability programs with resort operations. Many of the vegetables and herbs for the dishes served in Firefish restaurant, for instance, are grown at the nearby Taranuman Farm. Other ingredients are sourced locally from sustainable sources, giving a farm-to-table dining experience while reducing the resort's carbon footprint. The resort has also been building a desalination plant, to ensure a drought-proof water supply for the resort and the island's residents.



The resort's staff are also Sea Guardians, who take care of the reefs and protect the island's surrounding waters from illegal fishing. They also maintain the shores, organizing beach cleanups and inviting guests to participate. Doing this, they are also ensuring the safety of the Hawksbill and Green Sea Turtles that use the beach as a nesting site. Some 200 baby turtles are released back into the wild every year.

So, yes, the resort may be off the beaten path but the effort to get here is certainly worth it. If ever there was a place where you'd want to be marooned in, it's definitely going to be Club Paradise Palawan.

LIVING ON THE EDGE OF ADVENTURE

Explore the Philippines' best dive spots and islands with Discovery Fleet

For those who want to live out a Jacques Cousteau underwater fantasy, exploring the islands of the Philippines and diving its best dive spots, then there is no better option than Discovery Fleet.

Operating the liveaboard ships M/V Discovery Palawan and the M/V Discovery Adventure, Discovery Fleet offers a vacation experience where you go scuba diving and island exploring every day and travel to a different location at night.

The liveaboard ships have air-conditioned single and double occupancy rooms for guests, with private toilet and shower. The food is great, the drinks are cold, the desserts are divine, the company is invariably interesting, and the experiences are sublime.

The Discovery Fleet's trips are designed specifically for scuba divers and snorkelers. The liveaboard has complete facilities for your diving needs and trained divemasters familiar with the territory who will guide you on site. If you prefer not to dive, Discovery Fleet does have non-dive opportunities for those who'd rather explore the islands and play on the beaches. Wellness activities such as yoga, meditation and massage are offered, as well as beach club pop-up service, so you can just lounge topside.



NATURE ESCAPE: CORON

This 5-day route takes you from Batangas to Busuanga, making five stops along the way. Embarking from the Bauan Port, you travel overnight to Apo Reef National Park off Mindoro. This is the world's second largest contiguous coral system and the largest reef in the Philippines, an absolute must-dive. The next day takes you to the historical Culion Island to take a guided tour, then Calumbayan Island, where you can snorkel among the coral and the fish and kayak amidst the island's resident dugongs. Day Four leads you into Coron Bay, an approach that displays the majestic karst topography of the bay. Breakfast leads into a trip to the famed Kayangan Lake, then a trip to the Siete Pecos marine reserve. The route ends at Busuanga, where you can catch your flight home with all the amazing stories and photos you'll want to share with your friends and family.



NATURE ESCAPE: CEBU

This 5-day route takes you on a round trip from Mactan, Cebu to three spectacular island destinations before returning you to your port of origin. You embark from the Cebu Yacht Club and spend the day on the boat, getting to know your fellow travelers and the rules and procedures for life at sea. Day Two will find you in Oslob, where you can swim with the biggest fish in the world, the massive whale sharks. After lunch, it's a trip to Sumilon Island for snorkeling in the shallows and the reefs surrounding the island. Day Three takes you to Apo Island, one of the very first and successful marine sanctuaries in the country. You can dive and snorkel, then take a short exposure trip to a local fishing village. Dinner will be served on the island, a barbecue feast! On Day Four, expect to explore the clear blue waters and play in the pristine beaches of Cabilao. Day Four ends with Farewell Cocktails and Dinner, to give you a good send off for your return to Cebu in the morning.

ENTHRALLED WITH THE SCENT OF VANILLA

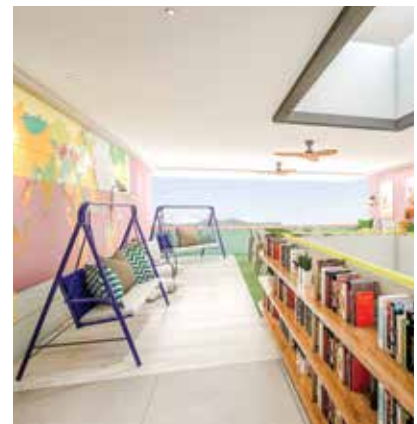
The future of retail travel
lies in Vanilla Beach

Travel to the northernmost tip of the island paradise of Palawan and you'll hit El Nido, a first class municipality that is legendary for its white sand beaches, teeming coral reefs, and impressive limestone cliffs. It is here that you will find Vanilla Beach, five hectares of beachfront property in Barangay Corong Corong that promise travelers far more excitement than its name implies.

Vanilla Beach is an environmentally-sustainable and tourist-friendly haven that features upscale amenities complementing the island's natural wonders. Set against a backdrop of palm trees, soft sand, and the soothing susurrant of the West Philippine Sea's waves, this destination offers something for travelers, shoppers and investors alike.

COMING SOON: KIP&KIN

Eagerly awaited by travelers who curate their lives on Instagram and TikTok is Kip&Kin, a new concept in hospitality that combines hotel and hostel under a single roof. Topside will be a 117-room hotel for families and those who prefer a traditional hotel stay. For millennials, Gen Z and the older set who defy their age, there is the hostel at the basement, with 84 bunk beds across 12 colorful rooms. It's here where you can create your most vibrant content for The Gram. #blessed



STEP FOOT INTO THE SHOPPES

You'd be hard pressed to find a fabulous commercial experience this far from the city, but the property is home to Shoppes at Vanilla Beach. A living, expanding outdoor mall that caters to both locals and visitors alike, this flourishing new social center has been dubbed as El Nido's "New Town." Its mix of restaurants and cafes, homegrown shops and boutiques, with open spaces for special activities has created a local scene that welcomes tastemakers, travelers and colorful local characters, to mix and mingle amid the breathtaking scenery. Foodies can enjoy gastronomic delights at Local Provisions, a family-run kitchen and minibar specializing in ingredient-driven cuisine and island-inspired cocktails. Coffee fans can enjoy a morning cuppa at the Kopi Bake Wine & Deli, while those who can't let go of their fast food can take comfort in what is possibly the most remote McDonald's in the region. What's best is that the sunset at Marimegmeg is only a few steps away.



RIDING THE WAVE IN SIARGAO

Lucky Cloud 9 Resort, Inc. is poised to capture the growth potential of the country's foremost surf capital.



It has been forty years since Siargao was “discovered” by Tony Arruza and Steve Jones, two surf explorers chasing after the perfect wave. Since that time, this small island in Surigao del Norte has slowly but inevitably become the premiere surf destination in the Philippines and one of the most desirable surf destinations in the world. Surfers come from around the world to revel in the island’s majestic surf spots, Caridad, Guyam, Cemetery, Jacking Horse, Pacifico, and, its most famous spot, Cloud 9.

It is this renowned surf spot that lends its name to Discovery World Corporation's Lucky Cloud 9 Resort, Inc., which owns a strategically located property for development. This development aims to cater to surfers of all skill levels and travelers who long to have that sublime experience that is Siargao, wrapped in the level of hospitality one would expect from a Discovery resort.

Lucky Cloud 9's plans include a 104-key resort that will serve both as a jumping off point for all parts on the island as well as a home base for the weary surf traveler, a place where he or she can kick back after a day riding the swells of Siargao.

While the planned resort will be ready to accept guests all year round, it is in the months between July and December, peaking in September and October, when surf season happens. This is when international competitions like the Siargao Cloud 9 Surfing Cup, one of the events in the annual calendar of the World Surfing League, draw top level competitors and surfing fans from across the country and the globe.

Lucky Cloud 9 wants to be an active partner in Siargao's growth as a premiere Philippine destination. With its plans in place, this vision becomes all the more closer to grasp.



SUSTAINABLE DEVELOPMENT IN SAN VICENTE

Palawan Cove Corporation takes its stewardship of Boayan Island seriously.

Off the coast of Port Barton lies Boayan Island, the largest island in the municipality of San Vicente, Palawan. This ecologically diverse area is home to one of the largest coral reefs in the Philippines, which, in turn, contributes nearly nine percent of the world's total reef area. Boayan Island is currently anticipating its declaration as a Marine Protected Area, when it joins the likes of the famed Apo and Tubbataha Reefs.

It is here on Boayan Island where Palawan Cove Corporation, a subsidiary of Discovery World Corporation, manages a pre-development property that has the potential to be an emerging diving and snorkeling destination in

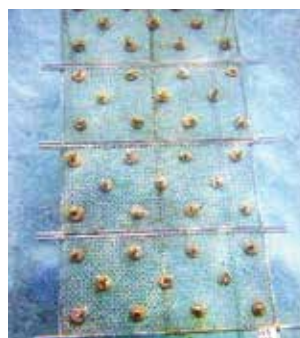
the region. The company is currently laying the groundwork to ensure the sustainable development of the property. It is involved in reef rehabilitation efforts on the island's Daplac Cove. It also maintains a coral nursery, growing corals to be distributed to parts of the reef that have suffered from past damage.

Since starting its efforts in rejuvenating the reef in 2011, Palawan Cove Corporation reports that over 80,000 coral fragments have been planted, comprising some 15 species of coral. Dozens of underwater structures, including 72 rubble stabilizing flat structures, 45 dome tables, and 33 artificial wreck structures, have been built on the cove's sandy bottom for the reef to grow upon. On the island,

some 10,000 slips of vetiver grass have been planted and a catchment pond dug up, to arrest siltation from the island into the sea. This combined effort has resulted in a fish biomass increase of a hundredfold!

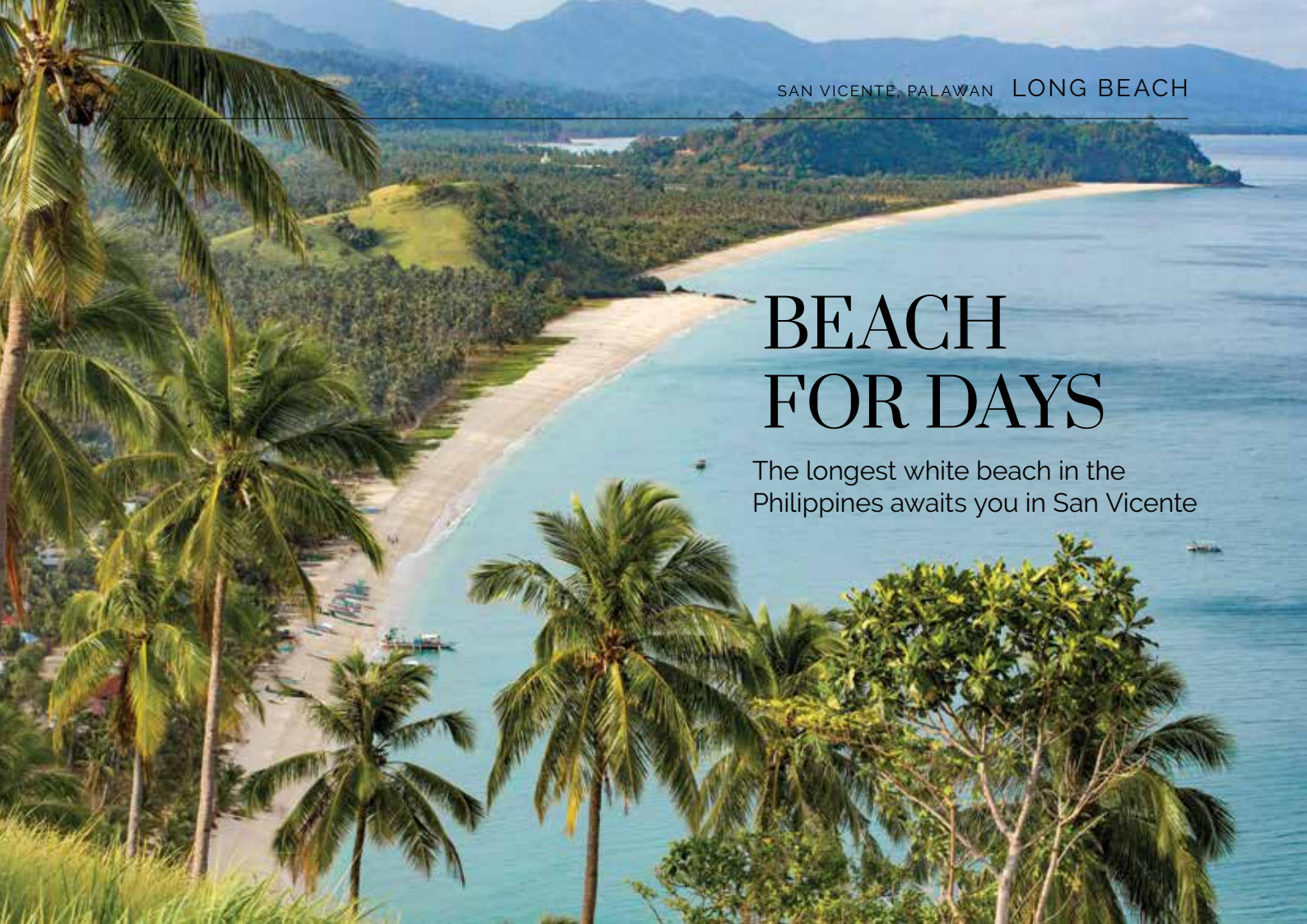
Boayan Island is also home to a wide array of flora, including the white mangrove, a flowering and fruit bearing tree normally found in West Africa, the Caribbean, and the Galapagos Islands. The company hopes to preserve and propagate the white mangroves in the area as they only add to the area's rich biodiversity.

It is these efforts that Palawan Cove Corporation hopes to be the foundation for its future development of the property.



BEACH FOR DAYS

The longest white beach in the Philippines awaits you in San Vicente



The Philippines possesses an aggregate 36,289 kilometers of coastline across the now 7,641 islands in the archipelago. In this vast collection of beachfront, the longest white beach in the country may be found in San Vicente, Palawan. Under the care of Discovery World Corporation subsidiary, Long Beach Property Holdings, Inc. (LBPHI), is a 3.8-hectare property located in Barangay New Agutaya, San Vicente, Palawan.

It is upon this pristine white beach that LBPHI is planning to build another resort development under Discovery's new Kip&Kin concept, which combines quality hotel features with charming hostel characteristics under the same roof. Offering unique experiences for both the luxury traveler and the younger, more adventurous set, this 70-key hybrid resort concept will have a garden banquet space for outdoor events such as weddings, and a glamping area for guests who insist on roughing it in style.

In keeping with the ecology of the area, Kip&Kin San Vicente will incorporate authentic and sustainable materials and processes, combining the Kip&Kin brand of service with local touches, to provide the best of local adventure to its guests.

POSTCARD PERFECT POSSIBILITIES

Soon, staying cool in this new Benguet property may be a summer tradition.



If there's one thing that people in the Philippines's lowland cities want to escape, it's the brutal tropical heat. During the hot dry season, Filipinos traditionally troop up to the summer capital of the country, Baguio, a mountain city sitting at an elevation of 1,470 meters above sea level. At this altitude, the climate is much cooler, making Baguio one of the few cold climate destinations in the country. Baguio's average summer temperature is a brisk 24-degree high, while Imperial Manila sweats along at about 33 degrees.

While summer tourists crowd into Baguio City's hotels and B&Bs, soon there will be a nearby alternative. Sonoran Corporation, a subsidiary of Discovery World Corporation, owns a 5.7-hectare mountaintop property located in Benguet capital La Trinidad, just ten minutes away from Baguio City.

It is on this site that Sonoran Corporation is developing "Discovery Benguet," a 145-key luxury hotel that promises a myriad of possibilities for the local and international traveler. Incorporating authentic and sustainable materials and processes into its build,

Discovery Benguet will combine Discovery's signature hospitality with local touches to create an experience that showcases the best of Benguet culture to its guests. The hotel will feature a huge convention hall with a 300-person capacity, for MICE (Meetings, Incentives, Conventions, Exhibitions) activities, an outdoor garden banquet space for up to 600 people, and even a wellness center for guests who want a sublime sanctuary experience.

Discovery Benguet will give you a panoramic view of La Trinidad and the vast Cordillera Mountains. Its lush vegetation, vibrant blossoms, and picturesque rivers and springs give the site a postcard-perfect appeal that will make it a mountain resort that is truly a haven for travelers. It is also a stone's throw away from the strawberry fields that make Benguet a popular destination.

With the efforts of Sonoran Corporation, Discovery Benguet will soon blossom into the perfect mountain escape, an irresistible choice for those who expect only the highest levels of hospitality from their vacation destinations.



DISCOVERY
HOSPITALITY



CREATING THE MAGIC

Discovery Hospitality works behind the curtain to deliver the Discovery Signature Experience.

Discovery Hospitality was founded in 2011 as the Discovery Leisure Company, Inc. around the mission of providing each guest with Discovery's Signature Customer Experience. Characterized by homegrown and heartfelt Filipino hospitality taken to the superlative, the Signature Customer Experience is a benchmark upheld in the country's most exciting destinations within the Discovery Hospitality ambit. Every touch point, from accommodations and amenities to food and environment, and above all else, service, is designed to give a guest an experience he or she will never forget. It's all about showing the guest that *It is our business to care.*



The success of Discovery Hospitality's level of service is reflected in the feedback from our guests, the stories they share back home, and their repeat patronage. It is also reflected in the industry awards and accolades we receive. Our properties have consistently earned numerous best in class awards from industry peers, consumer groups and international media, which validate what it is we have been doing.

Key Services

Discovery Hospitality offers several key services. It provides a full suite of Hospitality Management, which includes various business process disciplines that result in optimum work efficiency. It manages Discovery's portfolio of properties in Boracay, Palawan, Tagaytay, Makati and Ortigas. It also offers customers Shared Business Services for the superior execution of key business processes with a lower operating expense. These include project based sales and marketing campaigns, digital distribution & e-commerce, health & sanitation initiatives, safety & wellness programs for employees, workshops, audits, planning, among others.





SCAN THE QR CODES
OR GO TO THE LINK TO
READ THE FULL STORY.



DISCOVERY HOSPITALITY IN 2019

TRAILBLAZING THOUGHT LEADERSHIP IN THE ASIA-PACIFIC REGION



Meet our new Hotel Heroes

Our group of experts comes from leading hotels around the world: Starwood Capital Group,

Wyndham Hotels & Resorts, Arlo Hotels, Jumeirah Hotels & Resorts, Best Western Hotels GB, Discovery Hospitality and other high-achieving industry players.
<http://bit.ly/hotel-heroes>



In her keynote talk, Blessy Townes, vice president & head of digital, Discovery Hospitality, will share how to easily adapt a data-led approach to one of the most

effective direct booking strategies – content marketing. From tracking your ROI to learning the secrets to success on social media platforms, Townes will help hotels of all sizes to build a content strategy that drives conversion.
<http://bit.ly/ttgasia>



But social media is just one part of marketing the destination, said Blessy Townes, Discovery Hospitality's head of digital & CRM. Townes

advised taking advantage of big data, and search engines. "If your business is not in Google, it doesn't exist."
<http://bit.ly/ttgasia-itb>



Another message that stood out from talks on both days was the importance of working on your acquisition strategy in tandem with

your conversion strategy. Blessy Townes of The Discovery Leisure Company, Inc put it best with her succinct summary: "You cannot have the acquisition strategy of a Ferrari with the engagement strategy of a Kia."
<http://bit.ly/ehotelier-dbm>



In today's interview, we speak with Blessy Townes, Group Director, Digital Marketing, The Discovery Leisure Company. Blessy will be drawing on her extensive

experience of conversion optimization in her Clinic, Conversion analytics 101.
<http://bit.ly/conversion2019>



Bringing It All Together With a Multi-Channel Marketing Strategy

"These days, you cannot focus your marketing spend on one particular channel because there is no single conversion path" – Blessy Townes, Vice President & Head of Digital, Discovery Hospitality
<http://bit.ly/dhc-channel>



We spoke to Hotel Heroes Blessy Townes, Vice President & Head of Digital at Discovery Hospitality, and Pelayo Pando, eCommerce

Business Development & Market Strategy Director at NH Hotel Group about the most common budgeting mistakes they've encountered, and what best practices your hotel can implement when building an effective attribution model.
<http://bit.ly/conv-attribution>



This article was contributed by Blessy Townes, Vice President & Head of Digital at Discovery Hospitality.



Blessy is a founding member of the Hotel Heroes panel - a group of trusted experts sharing their experience and knowledge with the aim of educating and empowering the hotel industry.
<http://bit.ly/dhc-best>



Discovery Hotels & Resorts take digital lead with chat bot
<http://bit.ly/dhc-chatbot>



CREATING A BIGGER SOCIAL IMPACT IN 2019

Consciously uplifting our local communities one project at a time.

On the forefront of Discovery World Corporation's corporate social responsibility initiatives, Discovery Shores Boracay and Club Paradise Palawan continue to give back to the communities they hold dear. With programs and projects tackling four key social needs - livelihood, education, health & wellness, and environment - our two main hospitality properties encouraged more volunteerism and participation in 2019.



THE ECOCONSERVE PROGRAM

Our two resorts, Discovery Shores Boracay and Club Paradise Palawan, have embarked on a broad CSR initiative dubbed as the EcoConserve Program. This encompasses all environment-friendly practices that are incorporated into daily operations to help minimize the properties' ecological impact. This includes even small things like the replacement of plastic straws with metal or bamboo ones, or the use of refillable dispensers for soap and shampoo.

In 2019, both resorts invested in the EcoPure Water Bottling System, which transforms tap water into clean drinking water. This seven-stage water purification system filters out microorganisms and other harmful contaminants present in tap water to produce still or sparkling drinking water. These are packaged in sterilized glass bottles, eliminating the need to buy commercially sold bottled drinking water and preventing more plastic bottles from contaminating the oceans.

The EcoConserve program also includes Taranuman Farm in Coron, a 1000 square meter organic farm which produces herbs and vegetables, and has even started raising mud crabs for the Firefish restaurant in Club Paradise Palawan. Built from recycled materials, this sustainable effort removes the need to fly in fresh produce from Manila, reducing the resort's carbon footprint.



DISCOVERY SHORES BORACAY

Environment:

Ecoconserve Kick Off	MAR	Bantud Beach
Ecoconserve Kick Off	MAY	Ilig-iligan Beach
Beach Cleanup	JUN	Tambisaan Beach
Beach Cleanup	JUL	Front Beach
Beach Clean-up	AUG	Dmall to DSB
Beach Clean-up/ Intl Coastal Cleanup	SEP	BTR to Stn 1 Astoria
Beach Clean-up	OCT	Tambisaan Beach
Beach Clean-up	NOV	Tambisaan Beach
Beach Clean-up	DEC	Tambisaan Beach

Health & Wellness:

Waves for Water	JUL	Ati Community
Ati Feeding	MAR	Ati Community
Donation/ Feeding Fire Victims	MAR	Citymall
Blood Donation	AUG	
Medical Mission	NOV	Ati Community

Livelihood:

Beads & Bracelets	APR	Ati Village
-------------------	-----	-------------



KEEPING THE SHORES CLEAN

From March to December 2019, Discovery Shores Boracay participated in nine beach clean-up drives along various beaches on the island. This underscores the value the resort sees in maintaining the environmental gains following the 6-month closure of the island the previous year. Among the clean-up activities joined was the International Coastal Clean-up Day, a worldwide event held every September 21. It is one of the world's largest annual preservation and protection events and volunteer efforts for our ocean, waves and beaches. It is a global movement that encompasses 6 million volunteers in 90 countries.





SERVING THE ATI COMMUNITY IN SITIO CARLA

Among the groups assisted by the CSR initiatives of Discovery Shores Boracay, it is the Ati Community in Sitio Carla that most often gets special attention. For its 12th anniversary, the resort conducted its first medical mission dedicated to the community last November 23, 2019. The mission aimed to improve access to quality health care by providing direct medical assistance and the promotion of health literacy and healthier lifestyles. Mission activities included free consultation for the 136 residents who attended, distribution of Vitamin C to each child from 1 to 13 years old, blood typing, blood sugar testing, supplemental feeding, and lectures on Hygiene & Sanitation, and Reproductive Health and Tuberculosis/HIV Awareness.

Sitio Carla was also the site of last year's Waves for Water program, a partnership with Waves for Water, a global non-profit organization

that provides access to clean and safe water by setting up rainwater storage and filtration systems for the community. Its mission is to get clean water to every single person who needs it for the purpose of improving personal and civic well-being, enhancing all around health, reducing poverty and indigence, and increasing opportunities for education and employment.

Discovery Shores Boracay also launched a livelihood program for the Ati women of Sitio Carla. The Bead & Bracelets Project was created to give the participants a chance to earn while providing a great service for the resort. Discovery Shores Boracay staff distributed beads and other craft materials to the participants, and taught them how to craft the Welcome Bracelets that the resort bestows to each of its guests. This win-win relationship would be an ongoing source of livelihood for the Ati community while supplying the resort with one of its popular perks.



BLOOD DRIVE

Responding to the outbreak of dengue in the Western Visayas, Discovery Shores Boracay, with the Philippine Red Cross Boracay – Malay Chapter, conducted a mass blood drive, to provide much needed blood supply for Region VI. Some 54 employees volunteered, 20 of which were successful donors.



RESPONDING TO THE NEED OF NEIGHBORS

Following the fire that hit a residential neighborhood in Sitio Bantud in January, Discovery Shores Boracay organized a donation drive and feeding kitchen at the evacuation center in Citymall for the residents who were displaced by the blaze.

CLUB PARADISE PALAWAN

Livelihood:

VCO projects JAN 2019
 Welcome Bracelet project FEB 2019

Education:

Discovery Model Pupil MAR-APR
 Brigada Eskwela 2019 MAY
 School Supply Giveaway MAY
 Halloween Trick or Treat OCT
 Gift Giving at Decabobo DEC
 Gift Giving at San Jose Daycare DEC

Health & Wellness:

Together for Water APR
 Color Run Anti-Drug DEC



COMMUNITY LIVELIHOOD OPPORTUNITIES

Focusing on the communities in and around Coron, Club Paradise Palawan opened the year with two livelihood programs. The first program sourced Virgin Coconut Oil for the resort's Spa and Housekeeping departments from residents in Barangay Cheey in Busuanga. This was a simple means to give residents a source of extra income while supporting an all-natural, additive-free local product.

The second program created an ongoing livelihood project for the women of the Tagbanua community in San Jose, who were taught how to create Welcome bead bracelets for the resort's guests. Participants from the Samahan ng Kababaihang Tagbanua ng San Jose were able to create a total of 6,901 bracelets for the year 2019.

CLEAN WATER AND CLEAN LIVING

On the health & wellness front, Club Paradise Palawan continued its Together for Water campaign, visiting Sitio Camanga to measure the results of the March 2018 donations of water filtration buckets. Out of 51 households surveyed, 100% declared that the donated buckets were still being used for their intended purpose – to produce clean filtered water for the household.

Come year end, Club Paradise Palawan joined Color Run, an anti-drug campaign and information drive for the youth organized by the Sangguniang Kabataan of Barangay Decabobo. Together with members of the Philippine National Police, resort staff participated in the fun run and donated cash to support youth projects of the barangay.





ENCOURAGING EDUCATION IN CORON

Club Paradise Palawan’s education initiatives continued to go strong in 2019, kicking off with their annual Discovery Model Pupil program in March. The program awards the students who achieve the highest honors their respective schools. For 2019, the program lauded 17 students, graduates of Elementary and K-12, across seven schools in several different Coron barangays.

Decabobo Elementary School

- 1. Renielyn B. Casampol
- 2. Guillianne Joy O. Endencia
- 3. Vien Justin R. Balbutan

San Jose Elementary School

- 1. Eugene A. Ranes
- 2. Apple Jayne A. Manga
- 3. Marinor V. Paluray

Bucatan Annex Decabobo

- 1. Elaiza D. Quijano
- 2. Jobelle C. Mendoza

Maricaban Elementary School

- 1. Jessa Mae B. Leviste
- 2. Joisa Mae B. Coronia

Buyot Elementary School

- 1. Rodmie A. Talangay
- 2. Rana B. Rodriguez

Decalachao Elementary School

- 1. Philrose A. Rafols
- 2. Liza H. Daboc
- 3. Giselle C. Mercado
- 4. Aila Jane M. Francisco

Decalachao High School

- 1. Rizalyn Zaldivar
- 2. John Mark Villareal

In May, resort staff participated in the 3-day Brigada Eskwela 2019, cleaning classrooms, painting school walls and benches, and cleaning the school grounds of Decabobo Elementary School, Decalachao High School, and San Jose Elementary School.

Throughout the year, Club Paradise Palawan staff were able to conduct school supply giveaways at least four times, including the resort’s Family Day, where 107 children were given school supplies, and Halloween with the third graders of the San Jose Elementary School.

DON'T FORGET OUR FURRY FRIENDS

Among our notable CSR initiatives in 2019 was the successful Spay & Neuter program initiated by our staff in Vanilla Beach. Over two days in October, the program was able to spay and neuter 162 dogs and cats, most of which are strays who roam freely around El Nido. This program’s goal is to reduce the spread of rabies and controlling the dog and cat population in El Nido. Outdoor cats are considered major predators of El Nido’s bird populations, and spaying and neutering helps in maintaining the rich biodiversity of the Palawan ecosystem.



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Discovery World Corporation and Subsidiaries
Station I, Balabag, Malay, Aklan, Philippines

Opinion

We have audited the consolidated financial statements of Discovery World Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2019, 2018 and 2017, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2019 and 2018, and their financial performance and cash flows for the years ended December 31, 2019, 2018 and 2017 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matters

Key audit matter pertains to, in our professional judgment, the most significant in our audit of the consolidated financial statements as at and for the year ended December 31, 2019. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

- *Valuation of Goodwill*

The Group is required to perform annual impairment testing of goodwill which has a carrying value of P130.0 million as at December 31, 2019 as discussed in Note 4 to the consolidated financial statements. The annual impairment testing of goodwill is considered to be a key audit matter because of the significant judgment required in determining the assumptions to be used to estimate the recoverable amount of the cash generating units that benefited from the business combination resulting to the goodwill.

Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth and profit margins of the cash generating units which have the most significant effect on the impairment assessment of goodwill. We have assessed that the assumptions and methodologies used are reasonable.

Emphasis of a Matter - Subsequent Event

We draw attention to Note 30 to the consolidated financial statements, describing the adverse effect on the tourism industry of the mandatory lockdowns all over the country, which included the Group's areas of operations, arising from the COVID-19 pandemic virus. This condition is a non-adjusting event as at December 31, 2019, but will have a negative impact on the Group's revenue level, that will put a strain on its financial performance and results of operation in 2020. This early, the Group has started monitoring and actively reducing its overhead and operating expenses and has developed contingency plans for the suspension of non-essential services and the minimum staffing requirement.

While the impact of the pandemic cannot be reasonably estimated as at our report date, management believes that, with these actions taken and its access to short-term and long-term financing, the Group can continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2019 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

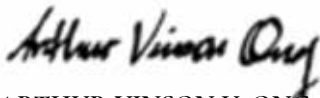
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Arthur Vinson U. Ong.

REYES TACANDONG & CO.



ARTHUR VINSON U. ONG

Partner

CPA Certificate No. 120745

Tax Identification No. 253-222-555-000

BOA Accreditation No. 4782; Valid until August 15, 2021

SEC Accreditation No. 1752-A

Valid until May 6, 2022

BIR Accreditation No. 08-005144-012-2017

Valid until July 2, 2020

PTR No. 8116485

Issued January 6, 2020, Makati City

April 14, 2020

Makati City, Metro Manila

DISCOVERY WORLD

“STATEMENT OF MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS”

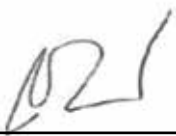
The management of DISCOVERY WORLD CORPORATION AND SUBSIDIARIES (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting 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 Group’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 Group or to cease operations, or has no realistic alternative but to do so.


The Board of Directors is responsible in overseeing the Group’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.


Reyes Tacandong & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group 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.

Signature: 

JOHN Y. TIU, JR.
Chairman of the Board

Signature: 

JOSE C. PARREÑO, JR.
President

Signature: 

LESLIE ANN T. YAPKIANWEE
Treasurer

Signed this 14th day of April 2020

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	₱136,935,690	₱153,536,100
Accounts and other receivables	63,443,015	21,108,107
Due from related parties	10,518,790	7,385,237
Inventories	30,247,533	35,464,849
Creditable withholding taxes	5,426,102	5,818,389
Other current assets	152,264,264	127,298,711
Total Current Assets	398,835,394	350,611,393
Noncurrent Assets		
Property and equipment	3,313,443,793	3,178,022,621
Investment property	339,639,418	138,741,248
Net deferred tax assets	103,255,016	80,406,889
Financial assets at fair value through other comprehensive income (FVOCI)	312,006,130	284,899,782
Goodwill	130,041,512	130,041,512
Other noncurrent assets	369,924,826	263,510,322
Total Noncurrent Assets	4,568,310,695	4,075,622,374
	₱4,967,146,089	₱4,426,233,767
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	₱624,419,332	₱674,219,419
Current portion of loans payable	1,543,542,762	1,062,766,414
Due to related parties	138,526,827	144,197,360
Current portion of lease liabilities	418,183	361,040
Income tax payable	2,679,939	285,033
Total Current Liabilities	2,309,587,043	1,881,829,266
Noncurrent Liabilities		
Long term loans payable - net of current portion	1,406,093,542	1,332,346,455
Lease liabilities - net of current portion	11,239,090	158,031
Net retirement benefit liability	43,242,524	4,855,702
Deferred tax liability	87,005,073	87,005,073
Security deposits	6,792,974	2,100,929
Total Noncurrent Liabilities	1,554,373,203	1,426,466,190
Total Liabilities	3,863,960,246	3,308,295,456
Equity		
Capital stock	626,000,000	626,000,000
Additional paid-in capital	353,538,678	353,538,678
Retained earnings	99,843,694	133,666,931
Other equity reserves	23,803,471	4,732,702
Total Equity	1,103,185,843	1,117,938,311
	₱4,967,146,089	₱4,426,233,767

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2019	2018	2017
REVENUE			
Rooms	₱696,033,261	₱428,147,529	₱523,614,377
Food, beverages and others	158,783,993	108,728,061	134,539,074
Management and incentive income	31,768,835	-	-
Rental	28,021,047	6,097,536	-
Others	44,030,037	18,567,912	24,677,480
	958,637,173	561,541,038	682,830,931
COST OF SALES AND SERVICES			
Cost of services	417,341,111	269,424,938	290,185,729
Cost of food, beverages and others	139,262,590	98,662,252	99,434,296
	556,603,701	368,087,190	389,620,025
GROSS PROFIT	402,033,472	193,453,848	293,210,906
OPERATING EXPENSES			
Administrative expenses	317,192,593	254,832,734	247,240,138
Selling and marketing expenses	35,446,243	28,529,263	29,606,486
	352,638,836	283,361,997	276,846,624
OPERATING PROFIT (LOSS)	49,394,636	(89,908,149)	16,364,282
OTHER INCOME (CHARGES)			
Finance costs	(88,007,187)	(37,117,105)	(19,565,119)
Gain on disposal of assets	1,133,972	-	420,195
Finance income (loss)	1,102,526	5,254,790	(1,391,533)
Impairment loss on property and equipment	-	(22,308,799)	-
Impairment loss on goodwill	-	(21,835,606)	-
Dividend income	-	392,000	348,000
Others	1,031,240	-	345,199
	(84,739,449)	(75,614,720)	(19,843,258)
LOSS BEFORE INCOME TAX	(35,344,813)	(165,522,869)	(3,478,976)
PROVISION FOR (BENEFIT FROM) INCOME TAX	(1,521,576)	(42,088,869)	3,763,429
NET LOSS	(33,823,237)	(123,434,000)	(7,242,405)
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Not to be reclassified subsequently to profit or loss:</i>			
Fair value gain (loss) of financial assets at FVOCI	27,106,348	(21,326,722)	(1,469,200)
Remeasurement gains (losses) on net retirement benefit liability, net of deferred tax	(8,035,579)	(834,316)	1,415,459
	19,070,769	(22,161,038)	(53,741)
TOTAL COMPREHENSIVE LOSS	(₱14,752,468)	(₱145,595,038)	(₱7,296,146)
Net loss attributable to -			
Shareholders of the Parent Company	(33,823,237)	(123,434,000)	(7,242,405)
Total comprehensive loss attributable to -			
Shareholders of the Parent Company	(₱14,752,468)	(₱145,595,038)	(₱7,296,146)
Basic/Diluted Loss Per Share	(₱0.05)	(₱0.20)	(₱0.01)

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Years Ended December 31		
	2019	2018	2017
CAPITOL STOCK	₱626,000,000	₱626,000,000	₱626,000,000
ADDITIONAL PAID-IN CAPITAL	353,538,678	353,538,678	353,538,678
RETAINED EARNINGS			
Balance at beginning of year	133,666,931	279,291,841	286,534,246
Net loss	(33,823,237)	(123,434,000)	(7,242,405)
Transfer of cumulative remeasurement loss on financial assets at FVOCI	–	(22,190,910)	–
Balance at end of year	99,843,694	133,666,931	279,291,841
OTHER EQUITY RESERVES			
Balance at beginning of year	4,732,702	(48,066,614)	(48,012,873)
Transition adjustment under PFRS 9	–	52,769,444	–
Balance at beginning of year, under PFRS 9	4,732,702	4,702,830	(48,012,873)
Fair value gains (losses) on financial assets at FVOCI	27,106,348	(21,326,722)	(1,469,200)
Remeasurement gains (losses) on net retirement benefit liability	(8,035,579)	(834,316)	1,415,459
Transfer of cumulative remeasurement loss on financial assets at FVOCI	–	22,190,910	–
Balance at end of year	23,803,471	4,732,702	(48,066,614)
	₱1,103,185,843	₱1,117,938,311	₱1,210,763,905

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax	(P35,344,813)	(P165,522,869)	(P3,478,976)
Adjustments for:			
Depreciation and amortization	160,282,382	107,976,643	87,411,180
Finance costs	88,007,187	37,117,105	19,565,119
Retirement benefits costs	7,863,525	2,504,626	3,390,248
Interest income	(858,793)	(505,583)	(525,913)
Gain on disposal of property and equipment	(285,800)	–	(420,195)
Unrealized foreign currency loss (gain)	(243,733)	(4,749,207)	1,917,446
Impairment loss on property and equipment	–	22,308,799	–
Impairment loss on goodwill	–	21,835,606	–
Provision for expected credit losses on accounts receivable	–	556,362	–
Operating profit before working capital changes	219,419,955	21,521,482	107,858,909
Decrease (increase) in:			
Accounts and other receivables	(22,321,268)	(15,126,782)	445,792
Inventories	5,217,316	(5,122,319)	(4,751,176)
Other current assets	(24,965,553)	(40,584,836)	(31,624,506)
Increase (decrease) in:			
Accounts and other payables	(45,490,219)	78,367,988	60,919,553
Security deposits	4,692,045	2,100,929	–
Net cash generated from operations	136,552,276	41,156,462	132,848,572
Income taxes paid	(15,095,539)	(4,715,353)	(17,400,883)
Contributions paid	(4,413,894)	(1,658,636)	(1,724,590)
Interest received	858,793	505,583	525,913
Net cash provided by operating activities	117,901,636	35,288,056	114,249,012
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property and equipment	(338,408,740)	(635,087,146)	(461,549,998)
Investment property	(73,860,962)	(138,924,507)	–
Financial assets at FVOCI	–	–	(360,000)
Increase in other noncurrent assets	(106,414,504)	(20,777,715)	(118,438,787)
Additional due from related parties	(4,491,051)	–	–
Proceeds from:			
Disposal of property and equipment	2,128,586	1,079,082	420,195
Sale of financial assets at FVOCI	–	10,381,740	–
Collections of due from related parties	1,357,498	41,951,004	2,386,527
Net cash used in investing activities	(519,689,173)	(741,377,542)	(577,542,063)

Forward

	Years Ended December 31		
	2019	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Availments of loans	₱1,354,000,000	₱1,724,775,000	₱843,416,668
Additional due to related parties	5,009,467	5,266,215	10,532,429
Payments of:			
Loans payable	(799,476,565)	(875,495,466)	(365,000,000)
Finance costs	(162,402,131)	(86,265,310)	(35,028,331)
Due to related parties	(10,680,000)	(8,436,548)	(2,280,000)
Lease liabilities	(1,507,377)	(385,531)	(352,062)
Net cash provided by financing activities	384,943,394	759,458,36	451,288,704
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	243,733	4,749,207	(1,917,446)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,600,410)	58,118,081	(13,921,793)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	153,536,100	95,418,019	109,339,812
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱136,935,690	₱153,536,100	₱95,418,019
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash on hand	₱5,275,237	₱9,956,101	₱4,088,224
Cash in banks	131,660,453	93,579,999	91,329,795
Cash equivalents	–	50,000,000	–
	₱136,935,690	₱153,536,100	₱95,418,019
NONCASH FINANCIAL INFORMATION			
Capitalized borrowing costs to property and equipment, and investment property	₱74,436,069	₱53,840,640	₱12,009,693
Transfer and acquisition of retirement obligation to (from) related parties	23,457,793	9,180	(3,453,333)
Capitalization of right-of-use assets through recognition of lease liabilities	11,738,739	–	–
Amortization of lease liabilities	906,840	48,410	35,984
Reclassification of investment property to property and equipment	–	–	48,788,885

Leslie Ann T. Yapkianwee

Treasurer

Ms. Leslie Yapkianwee is concurrently Treasurer of Discovery World Corporation (2018 to present), Business Development Manager of JTKC Land, Inc. (since 2007), and President of Discovery Fleet Corporation (2018 to present). Before joining the group, she was with Citibank from 2003-2005 and then briefly with ING Bank in 2006.

She graduated from De La Salle University in 2001 with a double major in Bachelor of Arts in Psychology and a Bachelor of Science in Accountancy. She also took up a Mandarin course at the Shanghai Jiao Tong University in 2005.

Mary Jean D. Codiñera

Vice President & Investor Relations Officer

Ms. Jean Codiñera is concurrently the Investor Relations Officer of Discovery World Corporation and the Vice President of Cay Islands Corporation. She is also the Vice President for Sales and Marketing of JTKC Land, Inc. She was previously the Vice President for Sales and Marketing for Tofino Corporation (2010-2011) and Membership Head of Filinvest Alabang, Inc. (2009-2010), Sales Manager of Filinvest Land, Inc. (2006-2007), and President of the Corporate Circuit, Inc. (2001-2006). She is a graduate of the Assumption College, San Lorenzo and is a Certified Public Accountant.

Anna Francesca C. Respicio

Corporate Secretary

Ms. Cheska Respicio is the incumbent Corporate Secretary or Assistant Corporate Secretary of the following listed companies, I-Remit, Inc., Jolliville Holdings Corporation, and First Abacus Financial Holdings Corporation, as well as the following registered corporations: Sterling Bank of Asia, Inc. (A Savings Bank), Tagaytay Highlands International Golf Club, Inc. and The Spa and Lodge at Tagaytay Highlands, Inc. She obtained her Bachelor of Arts degree (Major in Philosophy) in 2007 and her Juris Doctor degree in 2011 from Ateneo de Manila University. She is currently a Senior Associate at Tan Venturanza Valdez. She was admitted to the Philippine bar in April 2012.

Rupert Terence C. Sykat

Vice President – Project Development

Mr. Rupert Sykat is concurrently the Vice President for Project Development for Discovery World Corporation and JTKC Land Inc. He was a Project Architect of Greenfield Development Corporation (2007-2010) and a Design Architect of W.V. Coscolluela and Associates (1997-2006). He holds a Bachelor of Science degree in Architecture from the University of Santo Tomas.

Erwin Peter Z. Lopez

Hotel Manager, Discovery Shores Boracay

Mr. Erwin Peter Z. Lopez is currently the Hotel Manager of Discovery Shores Boracay (2015 to present). He previously held the position of the resort as Director of Operations (2012-2014) and Operations Manager (2007-2012). Before joining Discovery Shores Boracay, he was part of the pre-opening team of Discovery Suites Ortigas (2000) and was also with Pan Pacific Manila (1998-1999). He graduated from De La Salle University - College of St. Benilde with a Bachelor of Arts degree, major in Human Resources Management. He also took courses at the Cornell Nanyang, Institute of Hospitality Management, Singapore (2008) and Asian Institute of Management, Philippines (2011).

Joegil Magtanggol M. Escobar

Hotel Manager, Club Paradise Palawan

Mr. Joegil Magtanggol Escobar is currently the Hotel Manager of Club Paradise Palawan. He graduated from the Lyceum University of the Philippines with a Bachelor's Degree in Foreign Service major in International Trade. Prior to joining the company in 2013, he was with Air Philippines Corporation, an affiliate of the flag carrier Philippine Airlines from from 2000-2010 under Sales & Marketing and eventually as Branch Manager of Zamboanga, Cagayan de Oro and Caticlan. From 2010-2013, he became the Terminal Operations Manager of Trans Aire Development Holdings Corporation, a subsidiary of San Miguel Corporation tasked to operate, manage and develop Caticlan (Boracay) Airport under the then PPP (Public-Private Partnership) Program.

Charlie G. Ledesma

Finance Manager and Compliance Officer

Mr. Charlie Ledesma is concurrently the Finance Manager and Compliance Officer of Discovery World Corporation. He was previously a Commercial Banking Relationship Manager for Metropolitan Bank and Trust Company (2017-2018) and for Bank of the Philippine Islands (2013-2015). He also served as Business Development Manager for True Money Philippines Inc. (2016-2017). He holds a Bachelor of Science degree in Management, minor in Finance, cum laude, from the Ateneo de Manila University.

Gilbert A. Magnaye

Risk Officer

Mr. Gilbert Magnaye is the company's Risk Officer. He served as Assistant Audit Supervisor for Megaworld Corporation (2013-2019). He holds a degree of Bachelor of Science in Accountancy, cum laude, from the Lyceum of the Philippines University-Manila and is a Certified Public Accountant.

Allen Cord B. Sigat

Audit Officer

Allen Cord Sigat is currently the Audit Officer of Discovery World Corporation (2019 to present). Before joining the group, he worked as a Business Analyst for the Consultancy Group of Deloitte Philippines (2012-2013), a Financial Statement Auditor for PricewaterhouseCoopers Philippines (2013-2014), an Internal Audit Deputy Manager for Liguigaz Philippines Corporation (2014-2018), and a Part-time Accounting Professor for Colegio De San Pedro (2018). He graduated from Saint Louis University in 2011 holding a degree of Bachelor of Science in Accountancy and became a Certified Public Accountant in 2012.



John Y. Tiu Jr.
Chairman of the Board and Chief Executive Officer

Mr. John Y. Tiu, Jr. is concurrently the Chairman of DWC’s subsidiaries, Euro-Pacific Resorts, Inc., Palawan Cove Corporation, Cay Islands Corporation, Sonoran Corporation, Long Beach Property Holdings, Inc., Balay Holdings, Inc., Lucky Cloud 9 Resort, Inc., and Discovery Hospitality Corporation.

He is Chairman and President of Tera Investments, Inc., JT Perle Corporation, One Cerrada Corporation, One Urdaneta Corporation, Ninety-Nine Urdaneta Holdings Corp, One Luscara Corporation and One Legaspi Corporation. He is also the Director and President of The Discovery Leisure Co Inc. and Discovery Country Suites, Inc.

He is a member of the Board of Directors of Sterling Bank of Asia, Inc. (A Savings Bank), I-Remit Inc., Oakridge Properties, Inc., Sagesoft Solutions, Inc., Evergreen Manufacturing Corporation and Lunch Bucks Gourmet, Inc. He is a Director and Executive Vice President of Aldex Realty Corporation. He is a Director and First Vice President of JTKC Leisure Holdings Corporation (formerly JTKC Realty Corporation). He is a Director and Treasurer of Star Equities, Inc., JTKC Land, Inc., and JTKC Equities, Inc.

He previously held positions as Director and Treasurer of Touch Solutions, Inc. (2001-2013), Director and President of Fidelity Securities, Inc. (2000-2017), and Director of Enderun Colleges (2005-2017).

He holds a Bachelor of Science degree in Electrical Engineering Minor in Mathematics from the University of Washington in Seattle, Washington, USA.



Jose C. Parreño, Jr.
Director and President

Mr. Jose C. Parreño, Jr. is concurrently the President of Discovery World Corporation and the President and Chief Operating Officer (COO) of its hotel management outfit, Discovery Hospitality Corporation.

With over 20 years of experience in the management and operation of premier hotels, serviced residences, and award-winning resorts, and having worked with hotel chains such as Mandarin Oriental Manila and Pan Pacific Hotel, Jun’s “glo-cal” familiarity and perspective have been instrumental in putting the home-grown Filipino brand of Discovery in the global hospitality map. He continues to lead the trailblazing expansion of Discovery World Corporation, developing hotel and resort brands that resonate with its loyal base, as well as a new breed of global travelers.

Mr. Parreño is a graduate of the University of the Philippines, where he earned his Bachelor’s Degree major in Economics. He has taken a general manager course in the Cornell-Nanyang Institute of Hospitality Management and in the Asian Institute of Management.



Christopher John A.D. Tiu
Director

Mr. Christopher John A.D. Tiu is concurrently a Director of Discovery World Corporation; the President and Director of Blue Energy Holdings and Management Corp.; AVP for Business Development for JTKC Equities Inc.; Director of The Designer Boulanger Philippines Corp., VLink Interactive, Happy Lemon Philippines, Inc. and Pure Meridian Hydropower Corp., Keorim, Inc. and QBF Asia Pacific, Inc.

He was a Barangay Kagawad and SK Chairman in Barangay Urdaneta, Makati City (2001-2018); Professional Athlete & National Team Member (Rain or Shine Team 2012-2018 & Gilas Pilipinas 2008-2012, 2018); currently a TV Host for GMA7 (i-Bilib) and President and Founder of Charis Leadership, Research and Scholarship Foundation.

He holds Bachelor of Science degree in Management Engineering, minor in Chinese studies from the Ateneo de Manila University.



A. Bayani K. Tan
Director

Atty. A. Bayani K. Tan is a Director of the Corporation. He also acts as Director or Corporate Secretary, or both, of the Belle Corporation, Coal Asia Holdings, Inc., I-Remit, Inc., Pacific Online Systems Corporation, Premium Leisure Corporation, Sterling Bank of Asia, Inc., TKC Metals Corporation, Tagaytay Highlands International Golf Club, Inc., Tagaytay Midlands Golf Club, Inc., The Country Club at Tagaytay Highlands, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc.

He is concurrently the Managing Partner of the law offices of Tan Venturanza Valdez, Managing Director and President of Shamrock Development Corporation, President of Catarman Chamber Elementary School Foundation, Inc., Managing Trustee of SCTan Foundation, Inc., Trustee and Treasurer of Rebisco Foundation, Inc., Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. and Trustee of St. Scholastica's College. In addition, Atty. Tan is the Director of Destiny LendFund, Inc., Pascual Laboratories, Inc., and Pure Energy Holdings Corporation.

Atty. Tan holds a Master of Laws Degree from New York University and a Bachelor of Laws Degree from the University of the Philippines where he was a member of the Order of the Purple Feather, the official honor society of the U.P. College of Law, and ranked ninth in his class. Atty. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science Degree from San Beda College where he graduated class valedictorian and was awarded the medal for Academic Excellence.



Romualdo C. Macasaet
Director

Mr. Romualdo C. Macasaet is concurrently a Director of Discovery World Corporation; the Managing Director and a stockholder of JTKC Land, Inc. (since 2000); a Consultant of Diamond Securities (since 1995); and the Comptroller of BCD Pinpoint Direct Marketing, Inc. (since 1996).

He served as Treasurer of Discovery World Corporation from 2007 to 2017 and as its Chief Financial Officer from 2007 to 2013. Prior to his shift into farming in the year 1995, he was previously Assistant General Manager/ Comptroller of People's Independent Media, Inc. (Malaya) (1991-1995); Assistant to Treasurer and Credit Collection Manager of Philippine Journalists, Inc. (1987-1991); Agribusiness entrepreneur in 1983 to 1987; General Manager/ Director of Dearfield Products Inc. (1979-1983); Stockbroker of Diamond Sec Corp (1973-1979); Assistant Vice President and Comptroller of San Antonio Development Corp and affiliates (1970-1973); Vice President for Finance of Francisco de Asis and Co., Inc. (1969-1970); Assistant Accountant of Private Development Corp of the Philippines (1966-1969); Assistant Manager for Loans, Senior Credit Investigator & Appraiser of Bank of Asia (1963-1966); Assistant Collection Manager of Industrial Finance Corp (1962-1963).

He holds a Bachelor of Science degree in Commerce from the De La Salle College and a Bachelor of Science degree in Architecture from the University of Santo Tomas. He is a Registered Architect and is a Certified Public Accountant.



Lamberto R. Villena
Director

Atty. Lamberto R. Villena is concurrently a Director of Discovery World Corporation and Director of Sterling Bank of Asia, Inc. (A Savings Bank) (December 2006 to present). He was previously the Sterling Bank's President, Chief Executive Officer and Director (December 2006 to June 2015); a consultant to JTKC Equities, Inc. (August to December 2006); Executive Vice President and Head of the Commercial Banking Group, (July 2004-July 2005), Senior Vice President and Head of Corporate Banking Segment (Oct 1993-July 2004), First Vice President and Head of Consumer Banking Group (Nov 1992- Oct 1993), and Head of Treasury (March 1988-Oct 1992) of Rizal Commercial Banking Corporation. He was also previously a director of Pacific Plans, Inc. (December 2006 to October 2008); Vitarich Philippines (2000-2002); Philippine Electric Corporation (1986-1988, 1994-1996); and Philippine Pacific Capital Corporation (now RCBC Capital, 1986-1988).

Atty. Villena holds a Bachelor of Laws Degree from the University of the Philippines and is a member of the Integrated Bar of the Philippines. He also holds a Master's Degree in Business Administration from the same university and a Bachelor of Arts, major in Philosophy, and Master of Arts, major in Educational Administration (candidate) from the Ateneo de Manila University.



William L. Chua
Independent Director

Mr. William L. Chua is concurrently a Director of Discovery World Corporation and Independent Director of the Sterling Bank of Asia, Inc. (A Savings Bank). He is currently the Chairman of the Board, President, and CEO of WSI Philippines, Inc., LSI Leading Technologies, Inc., and Leadtech Systems, Inc. He is the CEO and President of WS Pacific Publications, Inc.

He is Chairman of Philmont Academic Solutions, Inc. and Vice Chairman of Wordtext Systems, Inc., and WSI Freeport Corporation. He is a Director in the following corporations: Extra Low Voltage Distributions, Inc., Information Technology Security Distribution, Inc., Aikontech Corporation, Jupiter Systems, WSI Technologies Corp., and Nexus Technologies, Inc.

He is a Founding Trustee of Adolfo S. Suzara Foundation, Inc.

Mr. Chua holds a Master's Degree in Business Administration from the Santa Clara University and a Bachelor of Science Degree in Industrial Engineering from California State University in San Jose, CA.



Elizabeth Ann C. Parpan
Independent Director

Ms. Elizabeth Ann C. Parpan is a Director and Treasurer of BISCOP, Inc., and New Leaf Multimedia Outsourcing, Inc. She is the Corporate Secretary of A. Chan Sugar Corporation. In addition, she also is a Director and Corporate Secretary of Morning Glow Development Corp. and JEMFA Resources, Inc.. She is a Director of Panay Eye Center, Inc., Therapeu-Tech, Inc., and Legaspi Towers 200 Condominium, Inc. She is a member of the Board of Trustees of Brent International School, Inc. Brent International School Manila, Inc. and Brent International School Baguio, Inc.

She was previously the Corporate Secretary (2011-2012), Director (2010-2012), and Assistant Manager (2008-2012) of Central Azucarera de Bais, Inc. and Executive Vice President of Hotel Enterprises of the Philippines, Inc. (1995-2009).

She was the valedictorian of the Hospitality Administration Program of the Centre International De Glion en Gruyere (Glion Hotel School) in 1994. She holds a Bachelor of Science degree in Management Honors, cum laude, from the Ateneo de Manila University.



Eric S. Yu
Independent Director

Mr. Eric S. Yu, is an Independent Director of Discovery World Corporation. He is the President and CEO of Cellprime Distribution Corporation; a Board Member and Learning Officer of Young Presidents Organization; and a Board Member of Nine Bowls Alliance Food Corporation.

He was previously a Business Development Adviser of Estore Exchange, Inc. (2000-2006) and Authorize.Net Inc. (2001-2003); the Chairman of Marketline Corporation (1997-2005); the Forum Officer and Finance Officer of Young Presidents Organization; a member of the Board of Premier City Club (1998-2001) and Secure Payments Networks (1992-2002).

Mr. Yu holds a Bachelor of Arts degree in Economics from the University of British Columbia.



DISCOVERY WORLD

PRINCIPAL ADDRESS
Station 1, Balabag, Malay, Aklan

CORPORATE OFFICE
2/F JTKC Centre, Chino Roces Ave., Makati City
Telephone number: (+632) 8813-8857 / (+632) 8519-5674
www.discovery.com.ph

DISCOVERY WORLD CORPORATION

2019 ANNUAL REPORT