

DISCOVERY WORLD

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A N N U A L R E P O R T

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V I S I O N

Trailblazing Filipino Hospitality

*Pioneering and dedicated to family values,
we forge iconic, forward-thinking brands
and remarkable experiences that build superior value
and leave a profound impact on our guests and stakeholders.*



P R E S I D E N T ' S R E P O R T

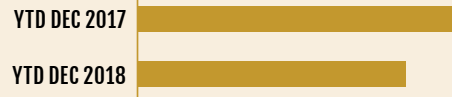
Dear Fellow Shareholders,

I am privileged to report the performance of Discovery World Corporation (DWC) for the past year.

2018 was a relatively challenging year for DWC as total revenues reached only PhP 542.97M, a 17.5% decline from 2017 revenues of PhP 658.15M. The decline was mainly attributable to the temporary closure of Boracay where the Company's flagship property, Discovery Shores Boracay (DSB), is located. The island of Boracay was temporarily closed for a total of six months from April 26, 2018 to October 26, 2018 to pave way for its redevelopment and cleanup.



DWC – CONSOLIDATED REVENUE COMPARISON (YTD 2017 VS. YTD 2018)



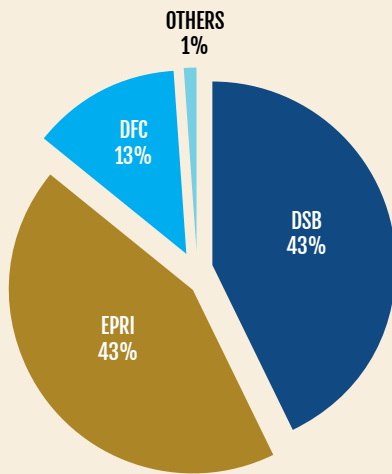
Although the closure affected resort operations, I am proud to share that DSB was one of the first establishments to be deemed compliant by the Department of Tourism and allowed to operate again upon opening of the island. Furthermore, DWC took the rehabilitation period as an opportunity to renovate several areas of the resort and also complete a new wing called *Signature Suites*, consisting of 11 indulgent suites, an Italian restaurant, *Forno Osteria*, and a rooftop bar, *Bar 360*. By the end of 2018, occupancy levels picked up again and stood strong at 70% for the month of December.

Club Paradise, under Euro-Pacific Resorts Inc. (EPRI), saw its year-to-date occupancy rate grow significantly from 60% in 2017 to 70% in 2018, as Coron, the "Jewel of Northern Palawan," continues to be among the most popular Philippine destinations. The island resort also received various awards and recognitions such as "Global Winner: Luxury Wedding Destination" at the 2018 World Luxury Hotel Awards and the "Luxury Sea View Hotel of the Year" at the Luxury Travel Guide Awards 2018, among others.

The abovementioned resorts contributed 43% and 43%, respectively, to DWC's consolidated revenues.

Meanwhile, Discovery Fleet Corporation (DFC), continued to operate its two cruise ships (Discovery Palawan and Discovery Adventure) and the Club Paradise Dive Shop, contributing 13% of DWC's consolidated revenues. Revenues of DFC rose 4% in 2018 versus the previous year, confirming the market's continued interest in diving locations such as Tubbataha, Apo Reef, and Coron. Currently, DFC is exploring new routes and new packages to be offered to both divers and non-divers alike on top of its existing offerings.

DWC – CONSOLIDATED REVENUE MIX 2018



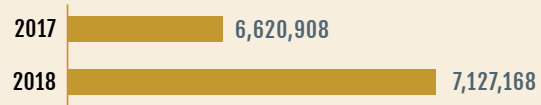
In the 4th quarter of 2018, the Company also opened its latest project, a commercial development called *Shoppes @ Vanilla Beach* featuring various restaurants, lifestyle shops, and boutique stores. The project, owned by Cay Islands Corporation (CIC) — a 100%-owned subsidiary of DWC, is the Company’s first foray into the retail leasing business and is part of the larger Vanilla Beach development in El Nido, Palawan. *Shoppes @ Vanilla Beach* is expected to deliver recurring income in future years and is expected to complement another project in the same vicinity called *Kip&Kin*, a hotel-and-hostel development slated to open in 2020.

All in all, DWC posted a comprehensive net loss of PhP 145.59M in 2018, primarily due to lost revenues during the six-month Boracay closure as well as increased financing costs attributable to the Company’s expansion projects.

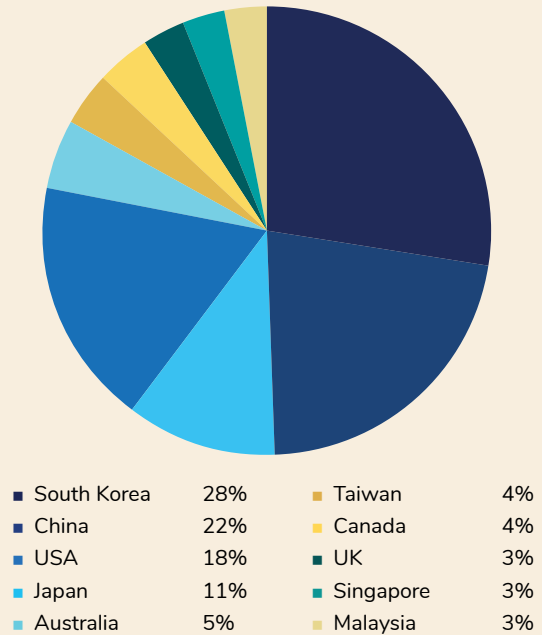
While we faced some challenges last year, I am looking forward to a stronger 2019 and an even better decade ahead due to the following:

- The Department of Tourism presented a continuous surge of tourists in 2018, ending with 7.1M tourist arrivals, up 7.68% from 6.6M in 2017. The Philippines’ largest visitor base comes from South Korea, followed by China, USA, Japan, and Australia. These visitors have supported our growth over the past years.

INTERNATIONAL TOURIST ARRIVALS (2017 VS. 2018)



PH INTERNATIONAL TOURIST ARRIVALS TOP 10 COUNTRIES (2018)



- Boracay, Palawan, and Siargao continue to be ranked as 3 of the Top 5 Islands in Asia based on Reader’s Choice Awards rankings released by international lifestyle travel magazine Condé Nast Traveler in 2018. The Company strategically has properties in all these locations.
- The employees, management, and staff of the DWC family under the constant guidance of our Board of Directors, continue to be steadfast in our commitment to trailblazing Filipino hospitality and providing “service that is all heart.”

Thank you very much for your continued support.

Yours truly,

Jose C. Parreño, Jr.
President

INDUSTRY AWARDS

Mandated to develop, operate and manage some of the most prestigious luxury destinations in the Philippines, Discovery World Corporation (DWC) continued to earn international and industry awards for its outstanding work in the travel and tourism industry in 2018.



Club Paradise Palawan representatives accepting the Luxury Wedding Destination award at Ayana Resort and Spa, Bali, Indonesia, November 10, 2018

DISCOVERY SHORES BORACAY

Travel + Leisure
World's Best Awards 2018
 Top 50 World's Best Hotels and Resorts for Families

Condé Nast Johansens Awards for Excellence 2018
 Best for Families (Asia)

The Choice 2018
 Favorite Beach Resort Hotel

DestinAsian Magazine
 Reader's Choice Awards
 Top 10 List
 Best Hotel in the Philippines

Booking.com
 Guest Review Awards 2018
 9.1 (out of 10)

Trip Advisor
 Hall of Fame 2018
 Certificate of Excellence
 2018 Winner

Trip Advisor
 2018 Travellers' Choice
 No. 9, Top 25 Hotels – Philippines
 No. 20, Top 25 Hotels for Service – Philippines

Trip Advisor
 Indigo Restaurant
 Certificate of Excellence
 2018 Winner

CLUB PARADISE

Luxury Travel Guide Awards 2018
 Luxury Sea View Hotel of the Year

2018 World Luxury Hotel Awards
 Global Winner:
 Luxury Wedding Destination

Booking.com
 Guest Review Awards 2018
 8.5 (out of 10)

Trip Advisor
 Hall of Fame 2018
 Certificate of Excellence
 2018 Winner



OUR SATISFIED GUESTS

At Discovery World Corporation, we strive to deliver “service that’s all heart” to give each guest wonderful experiences, cherished memories, and stories to share. Our validation lies in their satisfaction and continued loyalty.

Here are some of the best testimonials we received in 2018.

MOST AMAZING PLACE ON EARTH!

“I just want to thank you from the bottom of my heart to all the amazing people that work very hard to keep the quality, the attention, the impeccable service and the kindness at this gorgeous hotel. This island hotel is a slice of paradise itself, the location is great and the views are breathtaking. I stayed four days in a sunset villa and felt safe, protected, rejuvenated and well taken cared of during my stay. Do yourself a favor and book a getaway there, you won’t regret it!”

Silvia and Robert Smith,
Club Paradise Palawan Guest



WORLD-CLASS FILIPINO HOSPITALITY

“From the housekeepers, the restaurant staff, security and those taking care of us at the beach front... amazing! I have been to the best hotels in Boracay but have never experienced such kind of Filipino hospitality that is truly world-class. I will now forever stay at your hotel when in Boracay.

Excellent service, 7 stars!”

Robin Llamas
Discovery Shores Boracay Guest



IMPECCABLE SERVICE

“Excellent staff from concierge to check in to beach services to the Sands restaurant. Impeccable service that only Discovery can provide. Albert at the Sands restaurant deserves a high commendation for his meticulous attention to details that made our dining experience felt like we were having breakfast in the lanai of our home.”

Felomina Monteras
Discovery Shores Boracay Guest



DISCOVERY SHORES BORACAY

Station 1, Malay, Aklan



Like a gem polished to a brilliant lustre, Discovery Shores Boracay opened its doors with an undeniably exceptional guest experience, following the six-month rehabilitation and cleanup of the island.



Discovery Shores Boracay premiered its Signature Suites, a new standard for luxury accommodations, just as Boracay gained back its pristine white sands, sparkling blue water, and idyllic island feel. Freshly refurbished facilities include guest rooms, front office, kitchen, spa and restaurants. All this coupled with an elevated corporate mindset toward sustainability, Discovery Shores Boracay reasserts itself as an icon of Filipino hospitality and warmth.

SIGNATURE SUITES

Discovery Shores Boracay, Station 1, Malay, Aklan



Launched with the reopening of Boracay Island on October 26, 2018, Discovery Shores Boracay's crown jewel — Signature Suites — raised the bar on luxury accommodations. In a class of its own, the exclusive wing features 11 indulgent suites, an Italian restaurant, *Forno Osteria*, and a rooftop bar, *Bar 360*, that features postcard worthy views.



Each suite has a dining area and a full-sized living room that opens up to a balcony with its own private lounge pool. The spacious bedroom and bathroom are meticulously-appointed and designed for the modern comfort of its guests. Bespoke services are also provided by dedicated Guest Experience Makers, from arrival to departure.

CLUB PARADISE PALAWAN

Coron, Palawan



An idyllic and private tropical paradise in one of the country's best tourist destinations, excite your visual palate with its pristine beach and natural wonders.



Nestled in the untouched Dimakya Island, Club Paradise is situated along the protected UNESCO Biosphere Reserve in Coron, near world-class reef and wreck dive sites. The 14-hectare exclusive island resort is a haven for colorful flora and fauna, and is home to friendly sea turtles and the gentle dugong. The radiant beauty of the island makes it a choice location for memorable destination weddings.

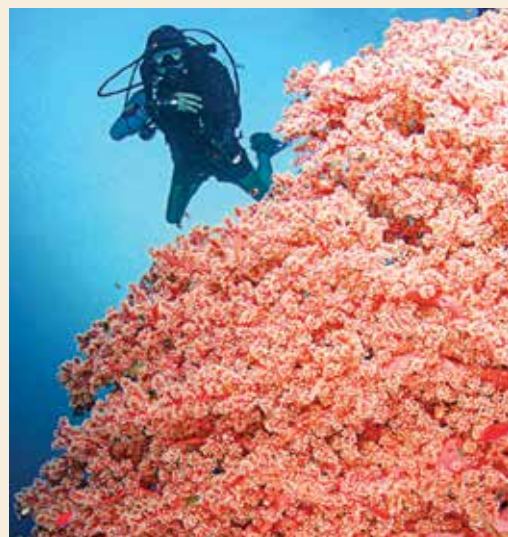
DISCOVERY FLEET



Discovery Fleet Corporation (DFC) operates two magnificent vessels, M/V Discovery Palawan and M/V Discovery Adventure, providing a new way of cruising around the Philippine Islands — offering unique experiences for divers and non-divers alike. Avid divers can expect a full day of scuba diving the spectacular coral reefs, wrecks, and marine life of this sun-kissed archipelago, while their non-diving companions can enjoy a full day of snorkeling, kayaking, and beach hopping. Discovery Fleet operates three routes: Tubbataha, Cebu-Malapascua-Visayas, and Apo Reef-Coron, as well as accepts charters for research, rescue missions, and wellness adventures.

DFC's Tubbataha expeditions run from late March to mid-June, intended exclusively for scuba divers. DFC brings the highest number of divers to Tubbataha — their visitor fees assist in the conservation of this UNESCO World Heritage Site. The Apo Reef-Coron and Cebu-Malapascua-Visayas routes begin in October and end in early March. Both routes have both diver and non-diver programs.

M/V Discovery Palawan is a single-crew, pleasure boat passenger carrier, which made its maiden voyage in 2013, while M/V Discovery Adventure has twin propellers and had its maiden voyage in 2015.



VANILLA BEACH

El Nido, Palawan

On the northernmost tip of Palawan is one of the country's most famous tourist destinations: El Nido. Within this jewel of pristine natural beauty lies Vanilla Beach, a 5-hectare beachfront development that is poised to be a major lifestyle destination in the area, an environmentally-sustainable and tourist-friendly haven that features an upscale retail row and an upcoming hotel and hostel called Kip&Kin.



SHOPPES @ VANILLA BEACH

With a mix of restaurants and lifestyle boutiques, Shoppes @ Vanilla Beach is a retail strip that features 48 cluster units, with four anchors along the highway and eight anchors facing the beach.



KIP & KIN

Alongside Shoppes @ Vanilla Beach will rise Kip&Kin, a new take on accommodations that invites you to “Live Unbound.” Kip&Kin is not your typical hotel or hostel – nor does it try to be. The hotel will feature 117 guestrooms and 84 bunk beds across 12 rooms, ideal for the adventurous traveler looking for an experience of dynamic connections.

PALAWAN COVE

Boayan Island, San Vicente, Palawan



Palawan Cove is located in Boayan Island, the largest island in San Vicente, Palawan. Managed by Palawan Cove Corporation, this property is in its pre-development phase and is poised to become a major diving and snorkeling destination. It is currently anticipating its declaration as a Marine Protected Area, making it the third largest protected coral reef in the country, next to Apo Reef and Tubbataha.

Palawan Cove is home to a wide array of flora, including the white mangrove. Also known by its scientific name, *Laguncularia Racemosa*, these flowering and fruit bearing trees are normally found in West Africa, the Caribbean, and the Galapagos Islands, among others. The Company hopes to preserve and propagate the white mangroves in the area as they only add to Palawan Cove's rich biodiversity.

SONORAN

La Trinidad, Benguet



Situated on a mountaintop in La Trinidad, Benguet is the group's 5.7-hectare property owned by Sonoran Corporation. The property is currently in its pre-development stage.

Located just ten minutes north of Baguio City, Sonoran enjoys the same climate as the nation's summer capital, ideal for wedding celebrations. The area's elevation also allows for a stunning panoramic view of La Trinidad and the majestic 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 sanctuary for travelers.

LONG BEACH

San Vicente, Palawan



A budding beach destination for tourists in Palawan, Long Beach is a 3.8-hectare beachfront property in New Agutaya, San Vicente, Palawan, which happens to be home to the longest white beach in the Philippines. The property is managed by Long Beach Property Holdings Inc.

LUCKY CLOUD 9

Siargao, Surigao del Norte



Siargao in Surigao del Norte enjoys the top spot among the country's surfing destinations.

Home to majestic surf spots of Caridad, Guyam, Cemetery, Jacking Horse, Pacifico and the world renowned Cloud 9, this bonafide gem is also where the Company has a 2.4-hectare property for future development. The property, owned by Lucky Cloud 9 Resort Inc., will accommodate the growing influx of surfers and travelers who want to experience everything Siargao has to offer.

DISCOVERY HOSPITALITY



FORGING THE FUTURE OF HEARTFELT FILIPINO HOSPITALITY

Discovery Hospitality Corporation is a home-grown Filipino hospitality group and a proud industry leader. We continue to reach new heights in Filipino hospitality with our brands, products and services.

We have emerged as pioneers in the Philippine hospitality industry – managing and operating a diverse and vibrant collection of properties in the country’s most celebrated destinations. We have a uniquely warm service style that wins hearts, minds and awards.

We turn prime locations into dream destinations. Our ever-growing portfolio features some of the most exciting properties in the Philippines:

- Discovery Shores Boracay – multi-awarded resort on White Beach Boracay, Station 1
- Club Paradise – island resort in Dimakya, Coron, Palawan
- Discovery Primea – multi-awarded luxury hotel in Makati Business District
- Discovery Suites – all-suite serviced residences in Ortigas Business District
- Discovery Country Suites Tagaytay – plush bed-and-breakfast overlooking the stunning Taal Lake

Proud to be the leading Philippine hospitality group, we’re excited about what the future holds. In the years ahead we will continue to develop and manage new and exciting properties, products, services and brands.

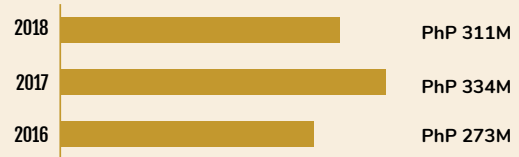
OUR PROMISE

Discovery Hospitality always takes care of its guests – with service defined by thoughtful gestures; spaces designed for modern comfort; remarkable experiences that create emotional connection; and uplifting communities through its advocacies.

FROM THE PHILIPPINES TO ASIA PACIFIC: THE DIGITAL JOURNEY OF A HOMEGROWN HOTEL BRAND

Driving direct bookings to the properties is at the heart of Discovery Hospitality’s digital strategy. From website relaunch to a customer-centric approach in traffic acquisition and conversion optimization, our digital transformation has been consistently growing our direct revenue stream, improving room profitability, and driving guest loyalty and retention.

DIRECT BOOKING REVENUE



Note: 2018 figures were affected by Boracay closure



Blessy Townes, Vice President & Head of Digital

True to our vision of “Pioneering Filipino Hospitality,” we are proud and deeply honored to share our expertise and success stories with hoteliers and marketers in the Asia Pacific Region:

DIRECT BOOKING SUMMIT APAC

Conversion Analytics 101:
8 Key Metrics behind the Digital
Journey of a Philippine Brand
February 27-28, 2019
The Fullerton Hotel, Singapore

DIGITAL TRAVEL APAC

Competing against OTAs and big
chains – How a homegrown hotel
brand’s digital transformation
enabled it to win brand love and
revenue
April 2-3, 2019
Resorts World Sentosa,
Singapore

TRAVEL MEET ASIA (ITB ASIA MANILA LEG)

Keynote Panel: The business of
fun! BIG ideas to fuel tourism
growth in the Philippines
April 26, 2019
Manila

C O R P O R A T E S O C I A L R E S P O N S I B I L I T Y

Reinforcing its role as a corporate citizen of the Philippines, Discovery World Corporation leads the way in providing a positive impact to the communities and locations it operates in through its corporate social responsibility (CSR) programs. These activities are designed to uplift the people who live and work near DWC properties as well as provide an avenue for DWC employees and partners to give back and be a part of nation building.



DISCOVERY SHORES BORACAY



Annual Christmas Gift-Giving

In the spirit of the yuletide season, volunteers from Discovery Shores Boracay brought smiles to the local children of the island through its annual gift-giving party, held at the basketball court of Brgy. Balabag, Station 1.



With Santa Claus on hand, water bottles, toys, school supplies and other gifts were distributed to the children. Likewise, at the Manila office, Discovery Shores Boracay employees visited the Philippine Children's Medical Center to distribute gift packs.

International Coastal Cleanup

Initiated thirty years ago, the International Coastal Cleanup is an annual activity that rallies communities to do their part in cleaning up local beaches. This year, 25 employees of Discovery Shores Boracay participated in the worldwide event. Joined by the Boracay Coastguard Auxiliary and PNP Boracay, the volunteers trooped to Bantud Beach in Sitio Manggayad, Brgy. Manoc-Manoc on September 22, 2018 to spend the day gathering and cataloguing plastic bags, bottles, cigarette butts and other debris found on the beach.





Feeding the Ati Community

Among the outreaches of Discovery Shores Boracay to the surrounding communities was the Ati Feeding Program, held every Saturday from September to December 2018. Held at Bantud, Sitio Manggayad, Brgy. Manoc-Manoc, Station 3, this program provided meals to around 120 and 150 children and 50 adults of the Tribu Tubu-anan Ati community every week. Some 15 volunteers from Discovery Shores Boracay participated during each feeding day.



Plastic Bottle to Ecobrick

Turning pollution into solution, Discovery Shores Boracay and Club Paradise embarked on the Ecobrick Project 2019, a multi-department initiative to transform discarded plastic into building materials called "Ecobricks." Teams from the departments of the resorts joined an Ecobrick workshop in December 2018 to learn how to take plastic PET bottles, pack them with clean and dry used plastics or other waste to achieve a target density, and turn them into a basic building block unit. These units would be built into plant boxes, tables and chairs and donated to a chosen beneficiary. With incentives for departments who reached their production goals, the initiative not only provides material for construction, it also creates a mindset of Zero Plastic Trash.



CLUB PARADISE PALAWAN

Together for Water

Adopting a program started by Discovery Shores Boracay in 2017, Club Paradise Palawan launched “Together for Water” on March 2, 2018, in Sitio Camanga, Coron. Designed in partnership with NGO Waves for Water Philippines, this initiative seeks to give communities much-needed access to clean water through the use of Sawyer water filtration buckets. This helps in the reduction of water-borne diseases like diarrhea and cholera, and aids in proper hydration.

The Club Paradise Palawan team distributed 60 water filters to the community of 280 people, mostly Tagbanua, the indigenous people of Palawan. Volunteers conducted a demonstration session at Camanga Elementary School before giving each recipient a hands-on experience with the water filtration buckets. A soup kitchen was set up for the children of the community and gifts were handed out as well.



Medical Mission in Sitio Camanga

Returning to the site of its “Together for Water” initiative, volunteers from Club Paradise Palawan returned to Sitio Camanga in Coron on July 3, 2018, for a medical mission. Facilitated by Resort Physician Dr. Faith Ronolo, with help from PRC certified first aiders, the Club Paradise Social and Sport Committee and the Philippine Coast Guard 406.2 Auxiliary, the mission was able to bring medical supplies and provide medical assistance to 147 patients.



Discovery Model Student 2018

Dedicated to championing the education of our nation's youth, Club Paradise Palawan has given recognition to top students from key schools in different barangays in Coron for the last five years. Dubbed Discovery Model Student, the program awards the students who achieve the highest honors in their respective schools.

2018 Awardees:

Barangay San Jose
San Jose Elementary School
 Precious Nicole J. Jerez
 Kyle D. Cabaltera

Maricaban Elementary School
 Jerel Jane L. Austria
 Chessa Mae Joy C. Razote

Barangay Decabobo
Decabobo Elementary School
 Christine Joy A. Egana
 Myrna M. Bugante

Sitio Bucatan Elementary School
 Merazil M. Carpiano
 Nathaniel A. Doldig

Barangay Decalachao
Decalachao Elementary School
 Shahani Nicole S. Roxas
 John Paul B. Zaldivar

Decalachao National High School
 Renalyn L. Borbon
 Gavilien D. Sicat



VANILLA BEACH

Vanilla Beach Cleanup

Vanilla Beach, also known as Marimegmeg Beach, is teeming with marine life with frequent sightings of sea turtles and dugongs. To keep this magical place pristine, Vanilla Beach divers conducted a cleanup mission with Colin Swerdfeger and William Espina joined by Marimegmeg Beach Bar snorkelers Melanie Alvarez, Ditchay Roxas and crew. The cleanup was done both on the beach and underwater, with the participants collecting bottles, plastic bags, and other debris from the area.



OUR DEDICATED EMPLOYEES

The tremendous success of Discovery World Corporation in the hospitality industry is built largely on the dedication of its management and staff, who work tirelessly to deliver “service that’s all heart.”

As our personnel take care of our guests, so too does this Corporation take care of its people, especially in extraordinary circumstances such as the six-month closure of Boracay.



Beach Butlers from Discovery Shores Boracay at Club Paradise



Warm smiles from Discovery Shores Boracay Guest Relations assigned to Discovery Primea

Discovery Shores Boracay and its employees were affected by this mandatory closure, with the resort having to shut down its operations. Rather than let go of staff, Discovery Shores Boracay took advantage of the downtime, by undergoing resort maintenance, and embarking on construction and refurbishment projects.

Some of our personnel stayed on the island to oversee these activities, while other colleagues were assigned to Discovery Shores’ sister properties, Discovery Primea in Makati, Discovery Suites in Ortigas, and Club Paradise in Palawan.



Francis, Forno Osteria F&B attendant, deployed at Restaurant Tapenade, Discovery Primea

STATEMENT OF MANAGEMENT'S RESPONSIBILITY


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, 2018 and 2017, 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 members.


Reyes Tacandong & Co., the independent auditor appointed by the members, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the members, 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 26th day of February 2019

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Discovery World Corporation and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Discovery World Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2018 and 2017, 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, 2018, 2017 and 2016, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years ended December 31, 2018, 2017 and 2016 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 matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as at and for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- *Valuation of Goodwill*

The Group is required to perform annual impairment testing of goodwill which has a carrying value of PhP 130.0 million as at December 31, 2018 as discussed in Note 4 to the consolidated financial statements. In 2018, the Group recognized impairment of goodwill amounting to PhP 21.8 million. The annual impairment testing of goodwill is considered to be a key audit matter because of the significant judgement 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.

- *Valuation of Property and Equipment*

The Group has transportation and delivery equipment with carrying amount of PhP 294.7 million as discussed in Note 9 to the consolidated financial statements. These include a cruise ship, Discovery Adventure, which has a carrying value of PhP 174.1 million as at December 31, 2018. Nonfinancial assets

are reviewed for impairment whenever events or changes in circumstances indicate that its carrying value exceeds its estimated recoverable amount. Discovery Adventure has incurred significant losses and decline in the budgeted operating profit. The Group recognized impairment loss amounting to PhP 22.3 million in 2018. The impairment review involves significant estimates and assumptions to develop the financial projections and determine the recoverable amount of the asset.

We reviewed the adequacy of the Group's estimates and assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of its property and equipment. We have assessed that the estimates and assumptions used are adequate and reasonable.

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, 2018, 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, 2018 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 the 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 those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters 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.

REYES TACANDONG & CO.



CAROLINA P. ANGELES

Partner

CPA Certificate No. 86981

Tax Identification No. 205-067-976-000

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

SEC Accreditation No. 0658-AR-3 Group A

Valid until May 17, 2020

BIR Accreditation No. 08-005144-007-2017

Valid until January 13, 2020

PTR No. 7334336

Issued January 3, 2019, Makati City

February 26, 2019

Makati City, Metro Manila

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Financial Position

	NOTE	DECEMBER 31, 2018	DECEMBER 31, 2017 (AS RESTATED - NOTE 2)	JANUARY 1, 2017 (AS RESTATED - NOTE 2)
ASSETS				
Current Assets				
Cash and cash equivalents	5	PhP 153,536,100	PhP 95,418,019	PhP 109,339,812
Trade and other receivables	6	24,836,246	12,366,755	12,812,547
Due from related parties	22	7,385,237	49,336,241	51,722,768
Inventories	7	36,950,952	31,828,633	27,077,457
Creditable withholding taxes		5,818,389	8,130,951	46,218
Other current assets	8	125,812,608	85,227,772	53,603,266
TOTAL CURRENT ASSETS		354,339,532	282,308,371	254,602,068
Noncurrent Assets				
Property and equipment	9	3,178,022,621	2,620,276,100	2,185,338,704
Investment property	10	138,741,248	-	48,788,885
Net deferred tax assets	23	80,406,889	30,647,508	28,783,197
Financial assets at fair value through other comprehensive income (FVOCI)	11	284,899,782	263,838,800	264,948,000
Goodwill	4	130,041,512	151,877,118	151,877,118
Other noncurrent assets	12	259,782,183	239,004,468	120,565,681
TOTAL NONCURRENT ASSETS		4,071,894,235	3,305,643,994	2,800,301,585
		PhP 4,426,233,767	PhP 3,587,952,365	PhP 3,054,903,653
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	13	PhP 676,320,348	PhP 593,317,515	PhP 532,434,132
Current portion of loans payable	14	1,062,766,414	1,007,083,332	639,083,332
Due to related parties	22	144,197,360	147,367,693	139,115,264
Current portion of obligation under finance lease	24	361,040	338,066	316,662
Income tax payable		285,033	-	3,081,785
TOTAL CURRENT LIABILITIES		1,883,930,195	1,748,106,606	1,314,031,175
Noncurrent Liabilities				
Loans payable - net of current portion	14	1,332,346,455	538,750,003	428,333,335
Obligation under finance lease - net of current portion	24	158,031	518,126	855,608
Net retirement benefit liability	21	4,855,702	2,808,652	6,618,411
Deferred tax liability	23	87,005,073	87,005,073	87,005,073
TOTAL NONCURRENT LIABILITIES		1,424,365,261	629,081,854	522,812,427
TOTAL LIABILITIES		3,308,295,456	2,377,188,460	1,836,843,602
Equity				
Capital stock	15	626,000,000	626,000,000	626,000,000
Additional paid-in capital		353,538,678	353,538,678	353,538,678
Retained earnings		133,666,931	279,291,841	286,534,246
Other equity reserves	15	4,732,702	(48,066,614)	(48,012,873)
TOTAL EQUITY		1,117,938,311	1,210,763,905	1,218,060,051
		PhP 4,426,233,767	PhP 3,587,952,365	PhP 3,054,903,653

See accompanying Notes to Consolidated Financial Statements.

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

YEARS ENDED DECEMBER 31

	NOTE	2018	2017	2016
REVENUE				
Rooms		PhP 429,486,815	PhP 523,614,377	PhP 451,494,089
Food, beverages and others		108,728,061	134,539,074	113,807,348
Rental		4,758,250	-	-
		542,973,126	658,153,451	565,301,437
COST OF SALES AND SERVICES				
	16			
Cost of services		269,424,938	290,185,729	228,919,077
Cost of Food, beverages and others		98,662,252	99,434,296	77,061,482
		368,087,190	389,620,025	305,980,559
GROSS PROFIT				
		174,885,936	268,533,426	259,320,878
OPERATING EXPENSES (INCOME)				
Administrative expenses	17	254,832,734	247,240,138	211,205,437
Selling and marketing expenses	17	28,529,263	29,606,486	24,706,588
Other operating income	19	(18,567,912)	(24,677,480)	(21,440,348)
		264,794,085	252,169,144	214,471,677
OPERATING PROFIT (LOSS)				
		(89,908,149)	16,364,282	44,849,201
OTHER INCOME (CHARGES)				
Finance costs	14	(37,117,105)	(19,565,119)	(17,342,831)
Impairment loss on property and equipment	9	(22,308,799)	-	-
Impairment loss on goodwill	4	(21,835,606)	-	-
Finance income (loss)	20	5,254,790	(1,391,533)	3,404,387
Others	20	392,000	1,113,394	2,265,953
		(75,614,720)	(19,843,258)	(11,672,491)
INCOME (LOSS) BEFORE INCOME TAX				
		(165,522,869)	(3,478,976)	33,176,710
INCOME TAX BENEFIT (EXPENSE)				
	23	42,088,869	(3,763,429)	(14,364,309)
NET INCOME (LOSS)				
		(123,434,000)	(7,242,405)	18,812,401
OTHER COMPREHENSIVE LOSS				
<i>Not to be reclassified subsequently to profit or loss</i>				
Fair value loss of financial assets at FVOCI	11	(21,326,722)	(1,469,200)	(6,412,400)
Remeasurement gains (losses) on retirement benefit liability net of deferred tax	21	(834,316)	1,415,459	1,950,082
		(22,161,038)	(53,741)	(4,462,318)
TOTAL COMPREHENSIVE INCOME (LOSS)				
		(PhP 145,595,038)	(PhP 7,296,146)	PhP 14,350,083
Net income (loss) attributable to:				
Shareholders of the Parent Company		(PhP 123,434,000)	(PhP 7,242,405)	PhP 18,889,937
Non-controlling interest		-	-	(77,536)
		(PhP 123,434,000)	(PhP 7,242,405)	PhP 18,812,401
Total comprehensive income (loss) attributable to:				
Shareholders of the Parent Company		(PhP 145,595,038)	(PhP 7,296,146)	PhP 14,272,547
Non-controlling interest		-	-	(77,536)
		(PhP 145,595,038)	(PhP 7,296,146)	PhP 14,350,083
Basic/Diluted Earnings (Loss) Per Share	28	(PhP 0.20)	(PhP 0.01)	PhP 0.03

See accompanying Notes to Consolidated Financial Statements.

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

YEARS ENDED DECEMBER 31

	NOTE	2018	2017	2016
CAPITAL STOCK	15	PhP 626,000,000	PhP 626,000,000	PhP 626,000,000
ADDITIONAL PAID-IN CAPITAL		353,538,678	353,538,678	353,538,678
RETAINED EARNINGS				
Balance at beginning of year		279,291,841	286,534,246	283,294,309
Net income (loss)		(123,434,000)	(7,242,405)	18,889,937
Transfer of cumulative remeasurement loss on financial assets at FVOCI	11	(22,190,910)	-	-
Dividends declared	15	-	-	(15,650,000)
Balance at end of year		133,666,931	279,291,841	286,534,246
NONCONTROLLING INTEREST				
Balance at beginning of year		-	-	6,392,179
Acquisition of non-controlling interest		-	-	(6,314,643)
Comprehensive income		-	-	(77,536)
Balance at end of year		-	-	-
OTHER EQUITY RESERVES				
Balance at beginning of year, under PAS 39		(48,066,614)	(48,012,873)	(36,565,198)
Transition adjustment under PFRS 9	2	52,769,444	-	-
Balance at beginning of year, under PFRS 9		4,702,830	(48,012,873)	(36,565,198)
Transfer of cumulative remeasurement loss on financial assets at FVOCI	11	22,190,910	-	-
Fair value gains (losses) on financial assets at FVOCI	11	(21,326,722)	(1,469,200)	(6,412,400)
Remeasurement gains (losses) on net retirement benefit liability	21	(834,316)	1,415,459	1,950,082
Acquisition of non-controlling interest		-	-	(6,985,357)
Balance at end of year		4,732,702	(48,066,614)	(48,012,873)
		PhP 1,117,938,311	PhP 1,210,763,905	PhP 1,218,060,051

See accompanying Notes to Consolidated Financial Statements.

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

YEARS ENDED DECEMBER 31

	NOTE	2018	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		(PhP 165,522,869)	(PhP 3,478,976)	PhP 33,176,710
Adjustments for:				
Depreciation and amortization	9	107,976,643	87,411,180	69,963,927
Finance costs	14	37,117,105	19,565,119	17,342,831
Impairment loss on property and equipment	9	22,308,799	-	-
Impairment loss on goodwill	4	21,835,606	-	-
Unrealized foreign currency loss (gain)	20	(4,749,207)	1,917,446	(1,879,849)
Retirement benefits cost	21	2,504,626	3,390,248	3,312,210
Expected credit loss on trade receivables	6	556,362	-	-
Interest income	5	(505,583)	(525,913)	(534,282)
Gain on disposal of assets	20	-	(420,195)	(15,000)
Gain from insurance claims	20	-	-	(1,922,953)
Operating profit before working capital changes		21,521,482	107,858,909	119,443,594
Decrease (increase) in:				
Trade and other receivables		(13,025,853)	445,792	4,680,955
Inventories		(5,122,319)	(4,751,176)	(4,162,327)
Other current assets		(40,584,836)	(31,624,506)	(6,702,216)
Other noncurrent assets		(20,777,715)	(118,438,787)	(35,481,152)
Increase in trade and other payables		78,367,988	60,636,441	69,274,307
Net cash generated from operations		20,378,747	14,126,673	147,053,161
Income taxes paid		(4,715,353)	(17,400,883)	(12,382,788)
Contributions paid	21	(1,658,636)	(1,724,590)	(1,724,590)
Interest received		505,583	525,913	534,282
Net cash provided by (used in) operating activities		14,510,341	(4,472,887)	133,480,065
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and equipment	9	(635,087,146)	(461,549,998)	(329,610,915)
Investment property	10	(138,924,507)	-	-
Financial assets at FVOCI	11	-	(360,000)	(290,000)
Proceeds from:				
Sale of financial assets at FVOCI	11	10,381,740	-	-
Disposal of property and equipment	9	1,079,082	420,195	15,000
Insurance claims	20	-	-	1,922,953
Net cash used in investing activities		(762,550,831)	(461,489,803)	(327,962,962)

(FORWARD)

DISCOVERY WORLD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

YEARS ENDED DECEMBER 31

	NOTE	2018	2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availments of loans		PhP 1,724,775,000	PhP 843,416,668	PhP 438,000,000
Payments of:				
Loans payable		(875,495,466)	(365,000,000)	(181,270,210)
Finance costs		(86,313,720)	(34,781,203)	(31,185,205)
Obligations under finance lease		(337,121)	(316,078)	(296,785)
Dividends	15	-	-	(15,650,000)
Decrease in due from related parties		41,951,004	2,386,527	19,048,000
Increase (decrease) in due to related parties		(3,170,333)	8,252,429	(13,350,000)
Acquisitions of non-controlling interests		-	-	(2,200,000)
Net cash provided by financing activities		801,409,364	453,958,343	213,095,800
EFFECT OF EXCHANGE RATE CHANGES ON CASH		4,749,207	(1,917,446)	(1,879,849)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		58,118,081	(13,921,793)	20,492,752
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		95,418,019	109,339,812	88,847,060
CASH AND CASH EQUIVALENTS AT END OF YEAR		PhP 153,536,100	PhP 95,418,019	PhP 109,339,812
NONCASH FINANCIAL INFORMATION				
Capitalized borrowing cost	9	PhP 53,840,640	PhP 12,009,693	PhP 13,842,374
Transfer and acquisition of retirement obligation to a related party	21	9,180	3,453,333	-
Reclassification of investment property to property and equipment	9	-	48,788,885	-
Acquisition of land financed by an officer		-	-	38,993,080

See accompanying Notes to Consolidated Financial Statements.

BOARD OF DIRECTORS



John Y. Tiu Jr.
CHAIRMAN OF THE BOARD AND CEO

Mr. John Y. Tiu, Jr. is concurrently the Chairman and CEO of Discovery World Corporation (DWC) and 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 also a Director of Discovery Fleet 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., Discovery Country Suites, Inc. and Evergreen Manufacturing Corporation.

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., 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. Jun Parreño 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.



Romualdo C. Macasaet
DIRECTOR

Mr. Bobby 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 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.



A. Bayani K. Tan
DIRECTOR

Mr. A. Bayani K. Tan is a Director of the Corporation (since March 2013, Publicly-Listed). He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Belle Corporation (since May 1994, Publicly Listed), Coal Asia Holdings, Inc. (since July 2012, Publicly-Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Fund, Inc. (since June 1997), Philequity MSCI Philippines Index Fund, Inc. (since December 2017), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Premium Leisure Corporation (since December 1993, Publicly-Listed), Sterling Bank of Asia Inc (A Savings Bank) (since December 2006), TKC Metals Corporation (since February 2007, Publicly-Listed), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Midlands Golf Club, Inc. (since June 1997), The Country Club at Tagaytay Highlands, Inc. (since August 1995), The Spa and Lodge at Tagaytay Highlands, Inc. (since December 1999), and Vantage Equities, Inc. (since January 1993, Publicly-Listed). He is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/ President of Shamrock Development Corporation

(since May 1988), Director of Destiny LendFund, Inc. (since December 2005), Pascual Laboratories, Inc. (since March 2014), and Pure Energy Holdings Corporation (since October 2016), President of Catarman Chamber Elementary School Foundation, Inc. (since August 2012), Managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013) and Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.



Christopher John A.D. Tiu
DIRECTOR

Mr. Christopher 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.



Eric S. Yu
INDEPENDENT DIRECTOR

Mr. Eric Yu, is concurrently a Director of Discovery World Corporation; 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.



Elizabeth Ann C. Parpan
INDEPENDENT DIRECTOR

Ms. Liza Chan-Parpan is concurrently a Director of Discovery World Corporation, Treasurer of BISCOP, Inc., and Corporate Secretary of A. Chan Sugar Corporation. In addition, she also acts as a director in Morning Glow Development Corp., JEMFA Resources, Inc., 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.



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. He is also the Vice Chairman of Wordtext Systems, Inc., Information Technology Security Distribution, Inc., Founding Trustee of Adolfo S. Suzara Foundation, Inc., CEO and President of WS Pacific Publications, Inc., Chairman of the Board of Philmont Academic Solutions Inc. and member of the Board of Directors of the following companies: Nexus Technologies, Inc., Jupiter Systems, Inc., and Aikontech Corporation, WSI Phonecare, Inc. and WSI Technologies Corporation.

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.

KEY OFFICERS

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.

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.

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.

Kristine Jane R. Liu

ASSISTANT CORPORATE SECRETARY

Atty. Kristine Jane R. Lui, the Assistant Corporate Secretary of the Company, is likewise the Assistant Corporate Secretary of Balay Holdings, Inc., Lucky Cloud 9 Resort, Inc. and Long Beach Property Holdings, Inc. She is also the Corporate Secretary of Stage Craft International, Inc., Stronghold Steel Corporation, Treasure Steelworks Corporation and Orbis Valley Corporation.

Atty. Liu obtained her Bachelor of Law in 2015 from the University of Santo Tomas and was admitted to the bar in April 2015.

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.

DISCOVERY WORLD

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