

COVER SHEET

A S 0 9 2 - 0 0 0 7 9 8

SEC Registration Number

T H E O R C H A R D G O L F &

C O U N T R Y C L U B , I N C .

(Company's Full Name)

K M. 2 7 A G U I N A L D O H I G H W A Y

S A L A W A G , D A S M A R I Ñ A S C I T Y

C A V I T E

(Business Address: No., Street, City/Town/Province)

ATTY. MEGAN M. AREÑO

(Contact Person)

(632) 8.293.3510

(Company Telephone Number)

1 2

Month

3 1

Day

Fiscal Year

SEC FORM 17-A

FORM TYPE

2nd Saturday of October
October 14

Month

Day

Annual Meeting

(Secondary License Type, if Applicable)

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

Document ID

LCU

Cashier

STAMPS

Remarks: Please use black ink for canning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 177
OF THE REVISED CORPORATION CODE OF THE PHILIPPINES

1. For the Fiscal Year ended December 31, 2022
2. SEC Identification Number AS092-000798 3. BIR Tax Identification Number
002-829-253
4. Exact Name of Registrant: The Orchard Golf and Country Club, Inc.
5. Philippines (SEC Use Only)
Province, Country, or Other Jurisdiction of Incorporation or Organization Industry Classification Code
7. Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite 4114
Address of Principal Office Postal Code
8. (632) 8982-2000
Registrant's Telephone Number, Including Area Code
9. Not Applicable
Former Name, Former Address, and Former Fiscal Year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
----------------------------	--

Class "A"	1,800
Class "B"	700
Class "C"	500

11. Are any or all of these securities listed on the Philippine Stock Exchange

Yes [] No [✓]

12. Check whether the Registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 25 and 177 of the Revised Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports);

Yes [✓] No []

(b) has been subject to such filing requirements for the past 90 days

Yes [] No [✓]

13. As the Club is engaged in the golf club industry, it has no affiliates. Accordingly, the information required under this item is not applicable to the Club.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development

The Orchard Golf and Country Club, Inc. (“Registrant” or “Club” or “The Orchard”) was incorporated and organized in 1992 and was duly registered with the Securities and Exchange Commission on 5 February 1992.

The Club has not instituted any bankruptcy, receivership, or any similar proceeding.

The Club has not made any material reclassification, merger, consolidation or purchase or sale of a significant amount of its assets not in the ordinary course of business.

(2) Business of Issuer

Description of Registrant

Principal Products or Services

The Club was organized primarily to promote the social, educational, and athletic activities of its members. Pursuant thereto, the Club offers the following services and amenities to its members and guests:

- Two (2) 18-hole golf courses and practice range; and
- 15,000-square meter clubhouse.

The clubhouse also offers the following amenities:

- A restaurant with bar
- A coffee shop and fine dining facilities
- A 500-seat ballroom for cocktail and similar parties with a capacity of over 1,000

The Club also provides its members and guests the following sports and recreational facilities:

- One (1) mini Olympic-size swimming pool and one kiddie pool
- One (1) covered basketball court
- Three (3) covered tennis courts
- Two (2) covered badminton courts
- A 12-lane tenpin bowling alley
- A Fitness center
- Three (3) billiard tables
- A 140-seat mini theatre

- A pro shop
- Locker rooms with sauna and whirlpool bath
- A beauty parlor

The facilities of the Club are generally open seven (7) days a week. The operating hours of certain facilities vary and may be adjusted as a result of inclement weather or other factors.

The Club has no significant subsidiaries.

Percentage of Sales or Revenues and Net Income Contributed by Foreign Sales

The Club is not engaged in the sale of any product or service to foreign entities.

Distribution Methods of Products or Services

The shares of the Club are being sold in the secondary market by shareholders and brokers.

New Product or Service

The Club is not engaged in the sale of any new product or service.

Competition

The Club belongs to the golf club industry and is situated in the Province of Cavite, which is considered as the golf capital of the Philippines. There are presently nine (9) golf clubs operating in Cavite, the most number of golf clubs in any province. Cavite is just 45 minutes from Manila and 15 minutes from Alabang. The Club is located within a five-kilometer radius from major commercial and business establishments in the province.

The Club is established primarily to promote the social, educational, and athletic activities of its members. Maintaining its golf courses and related sports facilities, as well as providing excellent services, which are the major businesses of the Club, are the key factors that enable the Club to compete with and stay ahead of other industry players.

The Club considers no direct competitors as its shareholders and members support its operations. However, indirect competition with other golf clubs can be considered with regard to the maintenance of facilities. These are: Eagle Ridge & Country Club in Gen. Trias City, Cavite; Royal Tagaytay and Splendido in Alfonso, Cavite; The Manila Southwoods in Carmona, Cavite; Riviera Golf & Country Club in Silang, Cavite; Sherwood Hills in Trece Martirez City; Puerto Azul in Ternate and Tagaytay Highlands in Tagaytay City.

As of this time, the Club has no data on the size and financial and market strengths of the aforementioned golf clubs.

The Club is a self-sufficient organization. It has a long-term plan of continuously improving its facilities, backed up by highly professional management staff with a goal of packaging the Club as the ultimate family destination. With this, the Club is confident that it can effectively compete with other clubs on a long-term basis.

Sources and Availability of Raw Materials

As the Club is primarily engaged in the golf club industry, no raw materials are required for it to engage in business. For food and beverage operations, the raw materials used are sourced from the public markets and various local suppliers by the Club's concessionaire.

The following is a list of supply contracts and/or sales contracts entered into by the Club during the year on a long-term basis:

- Supply of labor and materials for food and beverage operations;
- Supply of labor and materials in the maintenance of golf courses and the clubhouse;
- Supply of labor and services for security, driver, safety attendant, sports attendant, janitorial, engineering, and landscape maintenance; and
- A contract to be the exclusive agent for Korean tourists.

Dependency on Single or Few Customers

The Club is not heavily dependent on a single or a few customers, the loss of any or more of which would have no material adverse effect on its business.

Transactions with and/or Dependence on Related Parties

The transactions of the Club with its related parties involved purchases of operating supplies and certain equipment from members that are made at prices mutually agreed upon by both parties. Total purchases from related parties amounted to PhP 12,268,547.28 in 2022, PhP 3,592,311.39 in 2021 and PhP 4,349,667.19 in 2020.

Patents and Trademarks

The Club does not hold any rights relating to patents, trademarks, copyrights, licenses, franchises, and concessions, and is not a party to any royalty agreement.

Need for Government Approval of Principal Products or Services

To the extent of its knowledge, other than the various permits and approvals from the local city government of Dasmariñas City, Cavite, the Club is not required to obtain any governmental approval in relation to its business described above.

Effect of Governmental Regulations

Effective 1 to 15 March 2022, the Province of Cavite was placed under COVID-19 General Community Quarantine (GCQ) Alert Level 1, which refers to areas wherein case transmission is low and decreasing, total bed utilization rate and intensive care unit utilization rate is low.

Under Alert Level 1, the Inter-Agency Task Force for COVID-19 Response said that there are no restrictions in terms of indoor and outdoor capacities. Thus, all persons can undertake intrazonal and interzonal travel without regard to age and comorbidities. In addition, all establishments, persons, or activities are likewise allowed to operate, work, or be undertaken at total on-site or venue seating capacity, provided these are consistent with minimum public health standards.

According to the Department of Health, Alert Level 1 is a “step closer to business-as-usual, but not quite.” The shift to Alert Level 1 brings the public nearer to “living with the virus,” but does not mean Filipinos can let their guard down against COVID-19.

Because of the shift to Alert Level 1, more guests are encouraged to play golf and use the Club’s facilities. The Club has likewise been able to bring back its Intraclub Tournament and other activities that its members and guests enjoyed prior to the pandemic.

A year has passed, and the Province of Cavite has maintained its status under Alert Level 1. During the past year, the Club continues to serve its members while welcoming new members and guests with improved quality of services. Should the COVID-19 pandemic persist, the general operations of the Club may again be materially affected. Thus, the Club foresees that government regulations restricting non-essential goods and services due to the COVID-19 pandemic may produce adverse effects on its operations.

Research and Development Activities

No major development activities were undertaken during the year ending 31 December 2022, and no disbursement was made in connection therewith.

Cost and Effect of Compliance with Environmental Laws

The Club has been operating since 1992. Accordingly, environmental law requirements have been complied with as early as that year.

Employees

As of December 31, 2022, the Club has 99 regular employees, composed of 35 officers and 64 rank and file personnel. Out of 99 total regular employees, 59 are assigned with administrative functions, while the remaining 40 have responsibilities relating to Club operations.

It is projected that the Club’s manpower complement will reach a total of 129 regular employees in the next twelve (12) months.

The Club has a total of 33 employees who are covered by a Collective Bargaining Agreement (CBA).

For the past three (3) years, the Club’s employees have not been on strike or have threatened to strike.

The following is a summary of the Club employees’ benefits and privileges, excluding government mandated benefits:

Employee Benefits and Privileges

- | | |
|---|----------------------------------|
| 1. Annual physical & dental examination | 12. Leaves (vacation & sickness) |
| 2. Bereavement leave | 13. Medical & dental benefits |
| 3. Birthday gift check | 14. Retirement plan |
| 4. Birthday leave | 15. Rice subsidy |
| 5. Burial assistance | 16. Service charge |

- | | |
|--|---|
| <ul style="list-style-type: none"> 6. Christmas party 7. Christmas gift pack 8. Company loan 9. Duty meal 10. Group life insurance 11. Employee & Supervisor of the Year Recognition | <ul style="list-style-type: none"> 17. Shuttle services 18. Sports privilege 19. Summer outing 20. Training & development 21. Work uniform 22. Years in Service award (5,10,15,20 years in service) |
|--|---|

Major Risks

The risks inherent in the business of the Club are as follows:

- Climate change has been identified as an important issue by leading golf organizations. Although currently, there remains limited information on the potential impacts of climate change in the golf industry, it may pose challenges for the operation of golf courses, particularly under the warmest climate change scenario. As the climate warms, there will be increased demand for irrigation to keep turf grasses in optimal playing condition. Furthermore, climate is an essential resource for tourism. Changing climate and weather patterns at tourist destinations and tourist generating countries, such as the Philippines, can significantly affect tourists' comfort and their travel decisions. Changing demand patterns or significant reduction in tourist arrivals will have an impact on tourism.

Maintaining its golf courses in the best possible condition will still be the focus of the Club, while exhausting efforts on revenue generating opportunities. The Club's plan of operations will be directed towards minimizing costs on other non-essential areas and focus on continuously improving services to our members and guests.

- The Club is a non-profit corporation. Thus, all classes of shares are not entitled to receive dividends but are eligible to participate in the pro-rata distribution of corporate assets upon the dissolution of the Club.

The Club has a well-informed Board of Directors that ensures the Club fulfills its corporate objectives, while seeking to protect the Club's general interests and create value for the benefit of all shareholders, through the formulation of significant policies for governance, risk management, and control processes. The General Manager and Chief Operating Officer, on the other hand, oversees day-to-day operations, creates operational strategies, communicates the same to all employees, and ensures that everyone in the organization supports the corporate goals. As one, the Club's Management also ascertains that all programs are carefully managed and measured. To mitigate the risks, the Club's Management relies on budgets and financial forecasts. The budget reflects the Club's ability to accomplish its plans and programs, thus, reasonable opportunities for generating revenue, as well as a realistic assessment of all costs related to achieving the Club's mission, are all a part of the budget process.

Item 2. Properties

Description of Property

Real Property and Improvements

The principal properties of the Club, which are the golf courses and the clubhouse, are situated on a tract of land in the City of Dasmariñas, Province of Cavite, Philippines. The Club’s principal office address is Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite. These properties are fully owned by the Club and are free from any mortgage, lien, or other encumbrances.

The real properties of the Club and other club improvements are also found in Salitran and Salawag, Dasmariñas City, Cavite. The following is a description of the Club’s real property and other improvements.

- 18-Hole golf course designed by Arnold Palmer
- 18-Hole golf course designed by Gary Player
- Practice range
- Golf course maintenance area
- One (1) golf halfway house
- Four (4) tee houses
- Three (3) covered tennis courts
- Two (2) covered badminton courts
- One (1) 25-meter swimming pool
- One (1) circular kiddie pool
- Covered basketball court
- Parking areas
- A 15,000 square meter clubhouse with a 500-seat ballroom, 140-seat theater, 12-lane bowling alley, golfers’ lounge, sports snack bar, fine dining room, fitness rooms, men’s and women’s locker rooms, children’s playroom, two (2) walk-in freezers, food & beverage storage room, linen room, together with all furniture, fixture, equipment, inventories, and supplies utilized in connection with the operation of the Club.

The above facilities are contained in a tract of land situated in the City of Dasmariñas, Province of Cavite, Philippines, with an aggregate land area of one million three hundred seventy-eight thousand one hundred forty-seven (1,378,147) square meters under twenty-three (23) separate Transfer Certificates of Title (T-436143, T-432231, T-432225, T-432241, T-432236, T-432242, T-432226, T-432232, T-432237, T-432243, T-432227, T-432233, T-432238, T-432244, T-432228, T-432234, T-432239, T-432245, T-432235, T-432240, T-432229, 057-2013002328, 057-2013002329) registered with the Registry of Deeds for Trece Martirez City, Cavite, Philippines.

The Club’s total depreciation expense for the fiscal year ending 31 December 2022 is PhP 41.7 Million broken down as follows:

<i>Kind of Property</i>	<i>Depreciation Expense</i>
Facilities & Equipment	PhP 18,264,039.00
Land Improvements	10,155,101.00
Buildings & Structures	12,658,140.00
Furniture & Fixtures	668,941.00
Total	PhP 41,746,221.00

At present, the Club does not have any notes, loans, leases or other indebtedness or financing arrangements with any bank for the purchase of real properties and does not have any intention to enter into any such arrangement over the next twelve (12) months.

Item 3. Legal Proceedings

The following is a summary of the status and nature of the legal proceedings involving the Club, its directors, and officers:

- The Orchard Golf and Country Club, Inc. v. Commissioner of Internal Revenue
(Court of Tax Appeals, CTA Case No. 8986)

Claims:

This involves a Preliminary Assessment Notice ("PAN") issued by the Bureau of Internal Revenue ("BIR") on 26 March 2014, claiming that the Club has been found liable for deficiency taxes in the aggregate amount of Php 113,033,316.81 for the taxable year of 2010.

While the Club promptly filed a protest to the PAN, the BIR issued a Final Assessment Notice ("FAN") dated 28 March 2014, which states that the Club is now liable for deficiency taxes in the amount of Php 113,766,847.77. The deficiency assessment contained in the FAN is premised on the BIR's position as regards income tax and VAT for recreational clubs pursuant to Revenue Memorandum Circular ("RMC") No. 35-2012, which the BIR seeks to apply retroactively.

Since the BIR did not rule on the Club's protest, the Club filed a petition for review with the Court of Tax Appeals ("CTA") on 16 February 2015.

Status:

The BIR filed a Petition for Review with the CTA *En Banc*, to which the Club filed a timely opposition. In the Decision dated 25 April 2022, the CTA *En Banc* denied the BIR's appeal for lack of merit and enjoined the BIR from collecting or taking any further actions to recover the tax deficiencies.

The BIR filed a Petition for Review with the Supreme Court pursuant to Rule 45 of the Rules of Court. As of the present, the Supreme Court has yet to act on the petition.

- The Orchard Golf & Country Club, Inc., Conrado L. Benitez II and Ruby Alano-Benitez vs Atty. Bienvenido A. Cerbo, Jr.
Commission on Bar Discipline (CBD) Case No. 18-58691

Claims:

This is an administrative action filed before the Commission on Bar Discipline ("CBD") of the Integrated Bar of the Philippines against Club member, Atty. Bienvenido A. Cerbo, Jr., for violation of the Code of Professional Responsibility.

In their Complaint dated 8 August 2018, the Club, the former President, Mr. Conrado L. Benitez II, and his wife, Mrs. Ruby Alano-Benitez, assailed Atty. Cerbo's act of posting a series of comments on social media, which contained disparaging statements and expletives directed at the Club's Management and the President.

Status:

On 23 June 2020, the complainants filed a Manifestation and Motion to Dismiss, moving that the complaint against Atty. Cerbo be withdrawn, and the case be dismissed. As of the present, the Integrated Bar of the Philippines has yet to rule on the same.

- Philip L. Go, Julio Felino Manalo, Roel R. Rafael, Jose C. Lalisán, Jr., Guilbert Purcia, Sr., Jose Maria Cajucom vs. Orchard Golf and Country Club, Inc., Sta. Lucia Realty & Development Inc., AFP-RSBS, Henry Cua Loping and HZB Group
(Civil Case No. 7080-20, Branch 21, RTC Imus, Cavite)

Claims:

The plaintiffs, who are all members of the Club, filed this action to have a resolution adopted by the Board of Directors of the Club on 13 December 1994 (the "Subject Resolution") declared void.

The Subject Resolution exempts the incorporators and original stockholders of the Club from paying monthly membership dues.

In their Complaint dated 3 March 2020 (the "Complaint"), the plaintiffs alleged that the Subject Resolution is invalid since the exemptions provided therein were not general and uniform in operation and are not sanctioned by the Articles of Incorporation and By-laws of the Club.

The plaintiffs therefore prayed for the following reliefs: (a) to declare the Subject Resolution null and void; (b) to direct all those exempted from paying membership dues under the Subject Resolution to pay the same retroactively; and (c) to declare null and void the election of the Board of Directors held on 12 October 2019.

In their Answer with Compulsory Counterclaims dated 3 July 2020, the respondents, including the Club, raised the following defenses: (a) the action had prescribed; (b) the issues have been resolved by the Securities and Exchange Commission in a case involving the same issued; (c) the Subject Resolution is consistent with the Articles and By-laws of the Club; and (d) the complaint is an election contest, the pre-conditions for which under the Club's By-laws and the Interim Rules of Procedure for Intra-Corporate Controversies were not complied with.

Status:

On 6 January 2023, the court issued a Decision the dispositive portion of which reads:

"WHEREFORE, premises considered, by preponderance of evidence, the Board Resolution dated December 13, 1994 is declared null and void. The parties mentioned in the said Board Resolution, namely SLRDI (Sta. Lucia Realty & Development, Inc.), AFP-RSBS, ACL (ACL Development Corporation) and HZB Group (Mango Orchard Resources and Development Inc., Sen. Helena Z. Benitez, Francona Development Corporation, Helena Z. Benitez Heritage Foundation and Diamond Land Resources, Inc.) are directed to pay their membership dues retroactively.

SO ORDERED."

On 1 February 2023, the plaintiffs, relying on Section 4 of the Interim Rules which states that all decisions and orders issued under the Interim Rules are immediately executory, filed a "Motion for Execution (Ad Cautelam)," to which the defendants filed an Opposition thereto dated 3 February 2023.

In the meantime, within the reglementary period provided therefor, the defendants filed a "Petition for Review with Application for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction" with the Court of Appeals.

On 5 February 2023, the plaintiffs filed a "Reiteration of Motion for Execution (Ad Cautelam)" and insisted on the immediate execution of the Decision dated 6 January 2023. Thus, on 7 February 2023, the trial court issued an Order denying the defendants' Opposition and directed for the issuance of a Writ of Execution.

Thereafter, on 15 February 2023, the plaintiffs filed a "Motion Re: Execution," praying that the writ of execution specifically states the amount of PhP 946,000,000.00 and that the amounts collected be held in trust for the Club and its members to avoid dissipation.

On 16 February 2023, the Writ of Execution dated 13 February 2023 was served on the Club which states:

"...The judgment obligors, within thirty (30) days from receipt of this Writ, are obliged to pay in full the arrears of their monthly dues based on the imposed/approved monthly rates by the Club, inclusive of accelerated rates, if any, reckoned from the date of the approval of their membership to the Orchard Golf and Country Club, Inc. ("Club") up to the actual receipt of the Writ, together with the lawful fees for the service of this Writ, and to tender the same to the Club and return this Writ, with lawful fees, to this Court within thirty (30) days from date of receipt hereof..."

Notwithstanding the foregoing and considering that the exact amount of membership dues is evidentiary in nature, the trial court issued an Order dated 22 February 2023 directing the plaintiffs to present evidence on the amount of membership dues to be paid on 13 March 2023 at 8:30AM and to submit the Judicial Affidavit of its witness at least five (5) days prior to the hearing date.

During the hearing on 13 March 2023, the defendants informed the trial court that no Judicial Affidavit was received from the plaintiffs. Thus, the trial court was constrained to reset the hearing to 24 April 2023 at 8:30AM.

In the meantime, considering that no specific amount was indicated in the Writ of Execution, the trial court quashed the same, subject to the issuance of a new one once the exact amount has been settled.

- The Orchard Golf & Country Club, Inc., Sta. Lucia Realty & Development, Inc., and ACL Development Corporation v. Philip L. Go, Julio Felino Manalo, Roel R. Rafael, Jose C. Lalisan, Jr., Guilbert Purcia, Sr., Jose Maria Cajucom
(C.A.-GR. SP. No. 177020, Court of Appeals, Special Second Division)

Claims:

This is a petition which seeks the review and reversal of the Decision dated 6 January 2023 (“Assailed Decision”) of the Regional Trial Court, Branch 21, Imus, Cavite in Civil Case No. 7080-20. The petitioners likewise prayed for the issuance of a temporary restraining order and/or a writ of preliminary injunction to enjoin the execution of the Assailed Decision pending the ruling of the Court of Appeals in the instant petition.

Status:

Considering that the instant case is an intra-corporate dispute falling under A.M. No. 01-2-04-SC or the Interim Rules of Procedure Governing Intra-Corporate Controversies under Republic Act No. 8799 (“Interim Rules”), the proper mode of appeal against the Assailed Decision is through a petition for review under Rule 43 of the Rules of Court.

However, on 26 January 2023, the petitioners were compelled to file a “Motion for Extension of Time to File Petition for Review” with the Court of Appeals and sought an extension of fifteen (15) days within which to file a petition for review, due to the voluminous records of the case and the lower court did not release the certified true copies of the pertinent case records on time. On 31 January 2023, the Court of Appeals issued an Order of even date and granted the petitioners until 13 February 2023 within which to file their intended petition for review.

On 2 February 2023, the petitioners filed a “Petition for Review with Application for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction” (“Petition”) with the Court of Appeals.

Consequently, on 9 February 2023, the petitioners filed an “Urgent Motion to Resolve Application for Temporary Restraining Order” with the Court of Appeals and prayed that the execution of the Assailed Decision be enjoined until the final disposition of the Petition for Review.

On 10 February 2023, the Court of Appeals issued a Resolution and directed the respondents to file a Comment to the Petition and to show cause, why no temporary restraining order or injunctive relief should issue within ten (10) days from receipt thereof. The petitioners were likewise allowed to file the corresponding Reply thereto within five (5) days from receipt of the respondents’ Comment.

Thereafter, on 13 February 2023, the respondents filed a “Comment and Opposition to Petition for Review with Application for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction” and on 3 March 2023, the petitioners filed a Reply thereto.

At present, the Court of Appeals has yet to resolve the petitioners’ application for temporary restraining order and/or preliminary injunction.

- Deogracias L. Cristobal and Vicente D. Pacheco, Jr. v. Francis Montallana, Tomas Julio Benitez, Vicente Santos, Nilo Famy and Noel Canivel (Civil Case No. 2-0068, Branch 275, RTC Las Piñas City)

Claims:

On 11 October 2022, the Club’s Golf Tournament Committee received an e-mail inquiry seeking to clarify the eligibility of Mr. Andy Kim, a member and player of the Beergolfers Team, to participate in the 2022 Intraclub Tournament considering that he is supposedly

not an amateur for being a teaching professional. The petitioners were also players and members of the Beergolfers Team.

Upon receipt of the inquiry via email, one of the defendants, Mr. Francis C. Montallana, the Club's golf director, through their team captain, Atty. Zardi Abellera, informed the Beergolfers Team of the same and directed their team to respond to the same within 24 hours.

The Beergolfers Team, through Atty. Abellera, filed their reply dated 13 October 2022. Thereafter, pursuant to Rule 2 of the R&A Rules of Amateur Status, the Tournament Committee issued a Decision dated 17 October 2022 finding Mr. Kim ineligible to participate due to his membership with the Professional Golfers Association of the Philippines ("PGAP"), which resulted to the adjustment in the score of the Beergolfers Team. Thus, from ranking first, the Beergolfers Team fell into ranking sixth and thereby ineligible to participate in the final round.

The Beergolfers Team, through Atty. Abellera, appealed the Tournament Decision in a letter dated 19 October 2022. However, in a letter dated 22 October 2022, the Tournament Committee reiterated its decision and treated the same as final ("Final Decision").

Consequently, on 2 November 2022, the petitioners filed a Petition to Nullify the Tournament and Final Decisions of the Tournament Committee with an application for temporary restraining order or preliminary injunction to enjoin and postpone the Final Round of the 2022 Intraclub Tournament which were held on 5 to 6 November 2022.

The petitioners claim that they were denied due process when the Tournament Committee rendered a decision without presenting them a copy of the inquiry and by finding Mr. Kim ineligible to participate for being a member of the PGAP.

Status:

On 4 November 2022, a hearing on the application for temporary restraining order or writ of preliminary injunction was conducted. On the same day, the trial court issued an Order, the dispositive portion of which denied the petitioners' prayer for the issuance of a writ of preliminary injunction.

Notwithstanding the foregoing, the proceedings continued to hear the merits of the case. Thus, pre-trial hearing was conducted on 19 January 2023. Thereafter, the instant case was referred to court-annexed mediation and mediation proceedings were conducted on 25 January 2023 and 8 February 2023. However, despite efforts to reach a compromise, the parties failed to reach an amicable settlement. Thus, the instant case was referred back to court to continue with the ordinary course of proceedings.

On 15 March 2023, both petitioners and Atty. Zardi Abellera were presented to testify on the factual circumstances of the case. The petitioners likewise rested and were given two (2) days within which to file their Formal Offer of Evidence and the defendants were given the same number of days to file a Comment thereto.

On 21 March 2023, the Club filed a Motion to Intervene and its Answer-in-Intervention to claim attorney's fees and costs of suit pursuant to Section 1, Article X of the Club's By-laws, which provides:

“Section 1. Indemnification. The Club shall indemnify every director or officer, his heirs, executors and administrators, against expenses reasonably incurred in connection with any action, suit or proceeding, civil or criminal, administrative or investigative, to which he may be or is made a party by reason of his being or having been a director or officer of the Club, or, as such director or officer, is or was serving at the request of the Club as a director or officer of another corporation, partnership or other enterprise of which it is a shareholder or creditor from which he is not entitled to be indemnified, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties.”

During the initial presentation of the defendants’ evidence on 29 March 2023, the court granted the Club’s Motion to Intervene in open court. On the same day, Mr. Jose Ernilo P. Famy, the Club’s General Manager, and Mr. Francis C. Montallana, the Club’s Golf Director, were presented to testify as witnesses for the defendants. Thereafter, the defendants were given two (2) days within which to file their Formal Offer of Evidence and the Formal Offer of Evidence of the Club, as an intervenor to the instant case.

On 31 March 2023, the defendants and the intervenor filed their respective Formal Offers of Evidence. Consequently, the instant case shall be deemed submitted for decision whether or not the plaintiffs file their Comment/Opposition thereto.

Item 4. Submission of Matters to a Vote of Security Holders

During the Annual Meeting of Shareholders held on 8 October 2022, the matters submitted to a vote of security holders were limited to:

- (a) the approval of the acts of Management from 9 October 2021, the date of the last shareholders’ meeting, until 8 October 2022, the date of the latest shareholders’ meeting;
- (b) the appointment of the Club’s external auditor; and
- (c) the extension of the term of Atty. Jose P. Crisostomo, Jr., as independent director.

The election of directors was also held during the Annual Meeting of Shareholders on 8 October 2022. The following shareholders were elected as directors:

<i>Name</i>	<i>Position</i>
Vicente R. Santos	Director and Chairman
Tomas Julio A. Benitez	Director, President and CEO
Henry Cua Loping	Director and Treasurer
Exequiel D. Robles	Director and Corporate Secretary
Mariza S. Tan	Director and First. Asst. Corporate Secretary
Jose P. Crisostomo, Jr.	Independent Director
Jose S. Gonzales	Independent Director

The foregoing individuals also served as directors in the previous year. The independent directors were elected as such under Section 22 of the Revised Corporation Code and SRC

Rule 38 thereunder. The extension of Atty. Crisostomo's term was approved pursuant to SEC Memorandum Circular No. 4 series of 2017 and SEC Memorandum Circular No. 24, series of 2019.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholders Matters

(1) Market Information

The common equity of the Club is not traded in any Stock Exchange, and there is no established public trading market for the said shares.

The shares of the Club are traded sporadically. The frequency of the sale or exchange or transfer of the said shares within the last three fiscal years is as follows:

<i>Period</i>	<i>Class</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
1 st Quarter	A	5	16	15
	B	2	1	6
	C	2	5	9
2 nd Quarter	A	23	2	10
	B	4	1	3
	C	6	3	4
3 rd Quarter	A	7	0	11
	B	4	0	2
	C	2	0	0
4 th Quarter	A	9	42	19
	B	1	12	5
	C	2	8	0
Total		67	90	84

<i>Period</i>	<i>Class "A"</i>	<i>Class "B"</i>	<i>Class "C"</i>
January to December 14, 1996	P1.9M	P2.0M	P2.2M
As of 31 December 2022	N/A	N/A	N/A

Note: As of December 2022, the above information was provided by the Marketing Section of Sta. Lucia Realty & Development Inc. and reflects the market value of the original issuance of the shares.

(2) Holders

Top Twenty (20) Shareholders

The top twenty (20) Shareholders of the Club as of 31 December 2022 are as follows:

Shareholders	Class, Number and Percentage of Shares Held Per Class		
	Class	Number	Percentage
1. Sta. Lucia Realty & Development Inc.	Class "A"	212	11.78%
	Class "B"	239	34.14%
	Class "C"	43	8.60%
2. ACL Development Corporation	Class "A"	58	3.22%
	Class "B"	62	8.86%
	Class "C"	4	0.80%
3. AFP-RSBS	Class "A"	30	1.67%
	Class "B"	36	5.14%
4. Mango Orchard Development Corporation	Class "A"	26	1.44%
	Class "B"	12	1.71%
	Class "C"	7	1.40%
5. Helena Z. Benitez	Class "A"	21	1.17%
	Class "B"	15	2.14%
6. David M. Dela Cruz	Class "A"	8	0.44%
7. Caltex Philippines Inc.	Class "C"	4	0.80%
8. Liberato D. Robles	Class "A"	4	0.22%
9. San Miguel Corporation	Class "C"	4	0.80%
10. Hongkong and Shanghai Banking Corp. Ltd.	Class "C"	3	0.60%
11. First Asia Venture Capital Inc.	Class "C"	3	0.60%
12. Francona Development Corporation	Class "C"	3	0.60%
13. Johnson & Johnsons (Philippines) Inc.	Class "C"	3	0.60%
14. Jolly Lim Ting & Lourdes G. Ting	Class "A"	3	0.17%
15. Philippines Epson Optical, Inc.	Class "C"	3	0.60%
16. Sunflare Properties & Realty International, Inc.	Class "B"	2	0.29%
	Class "C"	1	0.20%
Total – Top 20 Stockholders		806	
Others – Shareholders with Less than Three Shares	Class "A"	1,438	
	Class "B"	334	
	Class "C"	422	
		3,000	

Percentage of Total Shares Outstanding Held by Top 20 Shareholders

Computed at 806 shares/3,000 outstanding shares, the shareholdings of the Top 20 Shareholders of the Club constitute 27% of the total outstanding shares in the Club's authorized capital stock.

The Club has not registered any of its shares within the preceding year and no registration statement was filed with respect thereto.

(3) Dividends

Pursuant to its By-Laws, no dividend has been declared by the Club for the past 25 years.

Specifically, Article XII, Section 1(c) of the Club's By-Laws states that no profit shall inure to the exclusive benefit of any of its shareholders. Hence, no dividends shall be declared in their favor. Shareholders shall be entitled only to a pro-rata share of the assets of the Club at the time of its dissolution or liquidation.

(4) Recent Sales of Unregistered or Exempt Securities

All of the shares in the capital stock of the Club have been registered pursuant to the then Revised Securities Act. Hence, no share that is unregistered or is exempt has been sold within the past 25 years.

Item 6. Management's Discussion and Analysis or Plan of Operation

The following discussion and analysis of the Club's financial condition and results of operations should be read in conjunction with the audited financial statements and the related notes as at and for the years ended December 31, 2022, 2021, and 2020 included in this Annual Report. This discussion contains forward-looking statements that reflect Management's current views with respect to future events and the Club's future financial performance. These statements involve risks and uncertainties, and actual results may differ materially from those anticipated and these forward-looking statements.

(1) Key Performance Indicators

The Club considers top four (4) key performance indicators, as follows: (1) current ratio; (2) earnings before interests, taxes, depreciation, and amortization (EBITDA); (3) dues-paying members; and (4) golf rounds, trends and efficiency ratios.

Current ratio is a primary test of solvency. It measures an entity's ability to meet current obligations from current assets, thus, the ability to continue as a going concern. It also measures the adequacy of working capital. EBITDA, which refers to net income with interest, taxes, depreciation, and amortization added back in, is used to analyze profitability because it eliminates the effects of financing and accounting decisions. Dues paying members refer to shareholders of the Club that are subject to the payment of monthly maintenance dues, in such amount as may be prescribed by resolution of the Board of Directors to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Golf rounds, trends and efficiency ratios refer to the number of golf rounds in comparison with other selected premier golf clubs within the industry.

The Club's current ratio of 1.32:1 as of December 31, 2022 is better as compared to the 1.06:1 of 2021 and 1.07:1 of 2020. The increase in current ratio is primarily attributable to the significant increase in cash and cash equivalents as a result of higher cash receipts from sales transactions due to reopening of the economy, and resumption of tournaments, events and dine-in services.

EBITDA, including members' contributions and fees, for the year amounted to PhP 75.4 Million, recording a swift growth of PhP 32.5 Million or 75.8% and PhP 47.5 Million or 169.6% from PhP 42.9 Million and PhP 28.5 Million in 2021 and 2020, respectively. The increase is primarily attributable to higher green fees in relation to higher guest rounds for 2022, and higher membership fees due to implementation of playing rights annual assignee fee.

The number of dues paying members likewise improved, from 2,361 in 2021 and 2,378 in 2020 to 2,389 in 2022.

The Club registered total golf rounds of 102,807 for 2022, surpassing the rounds in 2021 and 2020 totaling 80,532 and 65,250, respectively. Member ratio of 81% is lower than 2021's 84% but higher than 2020's 77%. Meanwhile, the guest ratio of 19% is higher than 2021's 16% but lower than 2020's 20%. Moreover, the Club recorded minimal tourist rounds for 2022 and 2021, as compared to the 3% tourist ratio in 2020. On the other hand, the Club dropped to 2nd spot in 2022 in terms of golf rounds efficiency, falling behind Beverly Place Golf Club.

(2) Plan of Operation

The Club's operating plan for the succeeding year will still focus on maintaining its golf courses in the best possible condition, as this is the core business of the Club. Improving the Club's financial condition is also one of Management's top priorities. Management will continue to control the Club's operating expenses to minimize the projected deficiency of members' contributions and fees over costs and other operating expenses. The Club's capital expenditures will be limited to PhP 60.0 Million and will continue to serve as a catalyst in improving our services to members and guests.

Management is cognizant of the economic uncertainties caused by the COVID-19 pandemic, and have instituted measures to address the same. Among others, Management has cut-back on the maintenance cost of non-essential areas in and around its two golf courses and at the same time explore every opportunity to improve operating revenue.

As of this report, apart from the COVID-19 pandemic, Management has no known material events and uncertainties that would affect past operations and have an impact on future operations, and on the Club's liquidity, planned capital expenditures, net sales, revenues and income.

2022 Capital Projects

The Club allocated PhP 50.0 Million budget for capital improvements for the year 2022 with the objective of improving further the quality of our services to members and guests. The Club's capital projects as of December 31, 2022 are as follows:

Golf course improvements and equipment	29,239,676
Building/furniture & fixtures and house maintenance equipment	15,260,481
Auto and light truck	3,583,464
Office equipment/F&B equipment/computer hardware and software	2,050,607
Total	<u>50,134,228</u>

Despite the COVID-19 pandemic, the Club expects to have no problem in liquidity and cash flow. The Club's cash and cash equivalents account is expected to remain stable, giving Management full confidence that the Club will be able to meet its obligations with its suppliers.

For the year 2023, apart from the COVID-19 pandemic, Management projects no trends, events or uncertainties that will have a material impact on revenues or income from continuing operations, knows no significant elements of income or loss that did not arise from the continuing operations and anticipates no seasonal aspects that had a material effect on the financial condition or result of operation.

(3) Management's Discussion and Analysis

Financial Condition

(a) Full Fiscal Year

The following table shows the Club's balance sheets as of the years ended December 31, 2022, 2021, and 2020:

	2022	2021	2020
Assets			
Total current assets	114,167,367	90,650,325	82,426,450
Total non-current assets	8,718,806,335	7,745,869,569	7,748,234,662
Total	8,832,973,702	7,836,519,894	7,830,661,112
Liabilities and Members' Equity			
Total current liabilities	86,690,930	85,649,925	76,844,183
Total non-current liabilities	2,041,076,238	1,805,055,242	2,172,663,088
Total members' equity	6,705,206,534	5,945,814,727	5,581,153,841
Total	8,832,973,702	7,836,519,894	7,830,661,112

Total current assets of PhP 114.2 Million in 2022 surpassed 2021's PhP 90.7 Million by PhP 23.5 Million or 26%. These consist of cash and cash equivalents of PhP 77.1 Million, which grew by PhP 17 Million or 28% from PhP 60.1 Million in 2021 due to higher cash receipts from sales transactions brought by the reopening of the economy, and resumption of tournaments, events and dine-in services; receivables of PhP 18 Million, which increased by PhP 3.3 Million or 23% from PhP 14.7 Million in 2021 mainly attributed to the committed cash sponsorship for the 24th Founders Cup; prepayments amounting to PhP 16.1 Million, higher by PhP 3.3 Million versus 2021's PhP 12.8 Million, which pertains to advances to suppliers for golf course maintenance projects such as sprinklers replacements and bunker renovations; and inventories of PhP 2.9 Million, slightly below than last year's PhP 3 Million.

Total non-current assets of PhP 8,718.8 Million in 2022 increased by PhP 972.9 Million or 12.56% from PhP 7,745.9 Million in 2021, and is comprised of land with market value of PhP 8,268.9 Million, which increased from 2021's PhP 7,304.2 Million due to increase in valuation from PhP 5,300 per sqm in 2020 to PhP 6,000 per sqm in 2022; property and equipment of PhP 446.8 Million, which grew by PhP 8 Million or 2% from PhP 438.8 Million in 2021; and other non-current assets of PhP 3.1 Million, slightly above 2021's PhP 2.9 Million by PhP 0.2 Million or 7%.

Total current liabilities of PhP 86.7 Million increased by PhP 1 Million or 1% from PhP 85.6 Million in 2021, and is composed of accounts payable and other current liabilities of PhP 67.2 Million, which increased by PhP 2.9 Million or 4% from PhP 64.3 Million in 2021 due higher F&B and proshop revenue resulting in increased payable to concessionaire and consignors; contract liabilities of PhP 9 Million, which decreased by PhP 1.8 Million or 17%; and deposits from assignees and others of PhP 10.4 Million with a minimal decrease of PhP 0.05 Million.

Total non-current liabilities of PhP 2,041.1 Million increased by PhP 236 Million or 13% from PhP 1,805.1 Million in 2021, and includes deferred tax liability of PhP 2,035.4 Million, which increased by PhP 241.2 Million or 13%, in relation to land's revaluation, as compared to 2021's

PhP 1,794.2 Million; accrued retirement cost of PhP 4.3 Million, which decreased by PhP 1.9 Million or 31% from PhP 6.2 Million in 2021; and deposits from assignee and others of PhP 1.45 Million, slightly above 2021's PhP 1.4 Million.

Total members' equity of PhP 6,705.2 Million increased by PhP 759.4 Million or 13% as compared to PhP 5,945.8 Million in 2021, primarily due to the effect of the revaluation increment in land for 2022.

Summary Results of Operations

The following table shows the contribution by each of our major accounts to our total receipts and expenses for each of the years ended December 31, 2022, 2021, and 2020. Receipts are mostly derived from the members contributions & fees and guests' fees, while the total expenses are mainly composed of payroll-related expenses and repairs & maintenance.

<i>Receipts</i>	2022	2021	2020
Maintenance dues and fees	186,579,263	176,741,659	155,029,538
Golf Operations Revenue	75,432,589	51,293,107	51,397,776
Tournament fees	12,557,055	-	394,718
Concessionaire's fee	9,471,151	4,672,525	4,720,496
Grand raffle event	7,851,473	-	-
Recreational facilities	4,487,496	679,226	834,410
Pro-shop commission	2,857,903	2,442,320	1,809,228
Facilities rental	2,645,822	511,160	1,169,688
Sale of pro-shop goods	1,195,849	956,243	754,107
Others – Net	2,050,831	1,132,766	802,229
Total Revenues	305,129,432	238,429,006	216,912,190

2022 Compared to 2021

The Club's total receipts of PhP 305.1 Million in 2022 recorded a swift growth of PhP 66.7 Million or 28% as compared to 2021's PhP 238.4 Million. The increase is mainly attributable to higher income from green fees by PhP 24.1 Million or 47%, from PhP 51.3 Million in 2021 to PhP 75.4 Million in 2022, higher maintenance dues & fees by PhP 9.8 Million or 6%, from last year's PhP 176.7 Million to this year's PhP 186.6 Million. Moreover, the resumption of tournaments and events made a huge impact in the Club's revenue for the year.

2021 Compared to 2020

The Club's total receipts of PhP 238.4 Million in 2021 registered a significant increase of PhP 21.5 Million or 9.9% as compared to last year's PhP 216.9 Million. The increase is mainly attributable to the increase in maintenance dues and fees by PhP 21.7 Million or 14% from PhP 155 Million in 2020 to PhP 176.7 Million in 2021. This is due to the recognition of expired consumables for 2020 and 2021, and increase in membership turnover by 71, from 149 transactions in 2020 to 220 transactions in 2021.

2020 Compared to 2019

The Club's total receipts of PhP 216.9 Million in 2020 registered a significant decrease of PhP 45.8 Million or 17.4% as compared to last year's PhP 262.7 Million. The decrease in revenues is mainly attributable to the decrease in Golf operations revenue by PhP 39.7 Million or 43.4% from PhP 91.5 Million in 2019 to PhP 51.8 Million in 2020 because of the effect of 2 ½ months of lockdown where the Club was closed temporarily due to COVID-19 pandemic and it also adversely affected the revenue coming from tourist golf players due to restriction of travel from outside the country. Moreover, concessionaire's fee of PhP 4.7 Million decreased by PhP 6.2 Million or 56.6% from PhP 10.9 Million in 2019 due to the temporary closure of the Club in 2020.

<i>Members' Contributions and Fees</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>
Membership Dues	149,442,503	156,391,659	143,077,800
Transfer Fee	15,125,000	13,475,000	6,825,000
Membership Fee	11,697,178	4,875,000	3,676,738
Assignee Fee	8,364,582	-	-
Change of Corporate Nominee	1,950,000	2,000,000	1,450,000
Total Members' contributions and fees	186,579,263	176,741,659	155,029,538

2022 Compared to 2021

Total members' contributions and fees registered an increase of PhP 9.8 Million or 6%, from PhP 176.7 Million in 2021 to PhP 186.6 Million in 2022. Maintenance dues decreased by PhP 6.9 Million or 4% mainly due to recognition of 2020 unused consumables in 2021. Meanwhile, total revenue from membership transactions improved by PhP 16.8 Million or 82%, due to higher membership turnover recording a total of 235 transactions in 2022 as compared to 220 in 2021. Moreover, the Club implemented playing rights annual assignee effective January 2022.

2021 Compared to 2020

Total members' contributions and fees registered an increase of PhP 21.7 Million or 14% from PhP 155 Million in 2020 to PhP 176.7 Million in 2021. Maintenance dues increased by PhP 13.3 Million or 9% from PhP 143.1 Million in 2020 to PhP 156.4 Million in 2021 due to recognition of expired consumables for 2020 and 2021. Moreover, total revenue from membership transactions increased by PhP 8.4 Million or 70% from PhP 12 Million in 2020 to PhP 20.4 Million in 2021 as a result of increase in the number of membership turnovers from a total of 149 in 2020 to 220 in 2021, further broken down as follows: transfer increased from 55 in 2020 to 115 in 2021, playing rights increased from 64 in 2020 to 65 in 2021 and change in corporate nominee increased from 30 in 2020 to 40 in 2021.

2020 Compared to 2019

Total members' contributions and fees registered an increase of PhP 9.8 Million or 6.8% from PhP 145.2 Million in 2019 to PhP 155 Million in 2020. Maintenance dues increased by PhP 9.2 Million or 6.9% from PhP 133.9 Million in 2019 to PhP 143.1 Million in 2020 due to increase in billable members in 2020. Moreover, total revenue from membership transactions increased by PhP 0.6 Million or 5.6% from PhP 11.3 Million in 2019 to PhP 12 Million in 2020 as a result of a slight increase in the number of membership turnovers from a total of 147 in 2019 to 149 in 2020, further broken down as follows: transfer increased from 52 in 2019 to 55 in 2020,

playing rights increased from 53 in 2019 to 64 in 2020 and change in corporate nominee decreased from 42 in 2019 to 30 in 2020.

<i>Expenses</i>	2022	2021	2020
Salaries, wages and employee benefits	75,428,182	69,623,248	62,799,001
Repairs and maintenance	70,619,336	61,768,601	51,927,151
Utilities	15,268,968	12,164,563	11,390,106
Security services	15,153,880	14,112,796	14,992,487
Taxes and licenses	10,679,264	11,880,642	11,425,160
Tournament expenses	9,794,981	-	1,163,338
Operating Supplies	8,052,858	5,473,843	4,951,749
Grand raffle event	7,007,040	-	-
Professional fees and legal costs	4,199,712	2,945,204	3,543,072
Representation	4,061,408	3,709,109	3,513,111
Communication	2,871,009	2,698,788	3,079,174
Collections fees	2,741,702	1,694,143	1,526,150
Insurance	1,289,734	1,205,430	1,257,195
Membership Relations	1,259,496	803,426	715,750
Cost of Proshop goods sold	863,075	654,730	519,038
Laundry expenses	842,196	60,775	252,535
Beauty salon expense	686,122	436,500	736,719
Miscellaneous	13,296,964	12,582,178	11,192,915
Total cost and operating expenses	244,115,927	201,813,976	184,984,651
Depreciation	41,746,221	39,285,837	40,063,016
Interest Income	(876,779)	(618,430)	(1,076,550)
Reversal of (Provision for) Doubtful Accounts	(5,994,243)	(4,123,317)	6,349,448
Other operating income	(8,439,332)	(2,170,829)	(2,407,942)
Total expenses	270,551,794	234,187,237	227,912,621

2022 Compared to 2021

Total expenses for the current year reached PhP 270.6 Million, surpassing previous year's PhP 234.2 Million by PhP 36.4 Million or 16%. Total cost and operating expenses increased by PhP 42.3 Million or 21%, which is primarily attributable to higher repairs & maintenance, higher payroll-related expenses, and resumption of monthly tournaments and Founders Cup event. Moreover, other operating income grew by PhP 6.3 Million or 289% mainly due to the collection of late payment charges related to the auction of seriously delinquent shares during the year, and reversal of the unclaimed playing rights deposit and long outstanding payables.

2021 Compared to 2020

Total expenses for the current year amounted to PhP 234.2 Million, higher by PhP 6.3 Million or 3% as compared to 2020's PhP 227.9 Million. Total cost and operating expenses increased by PhP 16.8 Million or 9%, mainly due to higher repairs & maintenance and higher payroll-related expenses. On the other hand, the provision for doubtful accounts decreased by PhP 10.5 Million or 165% brought by the auction of seriously delinquent shares in 2021.

2020 Compared to 2019

Total expenses for the current year amounted to PhP 227.9 Million, lower by PhP 47.3 Million or 17% versus 2019's PhP 275.8 Million. Total cost and operating expenses decreased by PhP 54.3 Million or 23% due to cost cutting measures of the Club to cope up with the unprecedented effect of COVID-19 pandemic, resulting in lower repairs & maintenance, payroll-related expenses, operating supplies, and utilities. Moreover, there were no tournaments in 2020 as a compliance with government's strict protocols. Other operating income also decreased by PhP 7.4 Million or 75%. Meanwhile, provision for doubtful accounts increased by PhP 6.5 Million or 3,553% due to impact of the pandemic.

	2022	2021	2020
Excess of receipts over costs and other expenses before depreciation	76,323,861	43,527,606	29,062,586
Depreciation	(41,746,221)	(39,285,837)	(40,063,015)
Excess (Deficiency) of receipts over costs and expenses	34,577,640	4,241,769	(11,000,429)

2022 Compared to 2021

The excess of receipts over costs and expenses recorded a swift growth of PhP 30.3 Million or 715%, from PhP 4.2 Million in 2021 to PhP 34.6 Million in 2022, due to the significant increase in total receipts of PhP 66.7 Million, surpassing the increase in total expenses of 36.4 Million, from PhP 234.2 Million in 2021 to PhP 270.6 Million in 2022.

2021 Compared to 2020

The excess of receipts over costs and expenses increased by PhP 15.2 Million or 139%, from the deficiency of PhP 11 Million in 2020 to an excess of PhP 4.2 Million in 2021, due to the increase in operating revenues of PhP 21.5 Million, from PhP 216.9 Million in 2020 to PhP 238.4 Million in 2021, surpassing the increase in total expenses of PhP 6.3 Million, from PhP 227.9 Million in 2020 to PhP 234.2 Million in 2021.

2020 Compared to 2019

The deficiency of receipts over costs and expenses decreased by PhP 2.1 Million or 16%, from PhP 13.1 Million in 2019 to PhP 11 Million in 2020, due to the decrease in operating revenues of PhP 45.8 Million, from PhP 262.7 Million in 2019 to PhP 216.9 Million in 2020, slightly below the decrease in total expenses of PhP 47.9 Million, from PhP 275.8 Million in 2019 to PhP 227.9 Million in 2020.

Plans and Prospects

The Finance and Audit Committees reviewed the Club's annual operating budget and business plan with Management and recommended their approval to the Board.

Consistent with the Club's vision statement of making the Club the most environmentally responsible and the best value golf and country club in the Philippines, the Club prepared the following operating budget for 2023 with critical assumptions below:

- Total golf rounds are projected to reach 103,100 rounds for the year, with a member-guest ratio of 80:20, under the assumption that the tourist affiliate booking in partnership with

Full Moon House Corporation will resume in 2023, and golf tournaments to be limited at a maximum of 5 per month.

- Golf cart covers are projected to reach 65,000 for the year, with a golf cart ratio of 1.57 per month.
- Total billable members are estimated at 2,378 (Proprietary – 2,038; Assignees – 316 assignees; Lifetime Members – 24), with no increase in monthly dues.
- No auction of delinquent shares is scheduled in 2023.
- Manpower complement is projected at 131, and an 8% merit increase, inclusive of CBA mandated increase, will be given to eligible employees.
- CAPEX is budgeted at PhP 60 Million.

Proposed Operating Budget

<i>Highlights of Operating Budget</i>		
	2023	2022
	Budget	Actual
Revenue		
Membership	198,921,528	186,579,263
Golf	106,247,286	92,043,396
Food and Beverage	18,855,024	12,335,941
Miscellaneous	14,781,942	18,999,446
Sports	6,187,680	4,487,496
Total	344,993,460	314,445,542
Expenses (excluding Depreciation)		
Administration	119,795,865	105,269,661
Golf	96,873,625	89,921,194
Miscellaneous	25,192,263	11,398,730
Taxes & Insurance	10,878,004	10,720,643
Utilities	9,869,236	9,064,230
Sports	5,253,866	4,382,332
Food and Beverage	4,229,100	4,447,434
Membership	4,091,466	3,509,025
Total	276,183,425	238,713,249
Gross Operating Profit	68,810,035	75,732,293
Capital Expenditures	60,000,000	50,134,227
Net Cash Flow	8,810,035	25,598,066

Total revenue is projected to improve by PhP 30.6 Million or 9.7%, from PhP 314.4 Million in 2022 to PhP 345 Million in 2023, relative to an estimated positive change in golf, membership, food & beverage, and sports revenue. Membership dues and fees is projected to increase by PhP 12.3 Million or 6.6%, from PhP 186.6 Million in 2022 to PhP 198.9 Million in 2023. Revenue from golf operations is projected to increase by PhP 14.2 Million or 15.4%, from PhP 92 Million actual revenues in 2022 to a budget of PhP 106.2 Million in 2023. Moreover, food and beverage, including concessionaire's fee and room rental, is budgeted to increase by PhP 6.5 Million or 52.8%, from PhP 12.3 Million in 2022 to PhP 18.9 Million in 2023. Lastly, sports revenue is estimated to increase by PhP 1.7 Million or 37.9%, from PhP 4.5 Million in 2022 to PhP 6.2 Million in 2023. On the other hand, miscellaneous revenue is projected to decrease by PhP 4.2 Million or 22.2%, from PhP 19 Million in 2022 to PhP 14.8 Million in 2023.

Total expenses are projected to increase by PhP 37.5 Million or 15.7% from PhP 238.7 Million in 2022 to PhP 276.2 Million in 2023, mainly due to the projected increase in administration, miscellaneous, and golf. Administration expense is projected to increase by PhP 14.5 Million or 13.8%, from PhP 105.3 Million in 2022 to PhP 119.8 Million in 2023. Miscellaneous and golf expenses are likewise projected to increase by PhP 13.8 Million or 121% and PhP 7 Million or 7.7%, respectively.

Gross operating profit is projected at PhP 68.8 Million, enough to sustain our capital budget of PhP 60.0 Million. Net cash flow is projected to be at PhP 8.8 Million, which is significantly lower than previous year's cash flow of PhP 25.6 Million, due to higher projected capital expenditures in 2023.

(b) Interim Periods

2023 First Quarter Results

Unaudited Statements of Revenues and Expenses and Accumulated Excess (Deficiency) of Revenues over Expenses for the first quarter of the year are as follows:

	2023	2022
Members' assessments:		
Maintenance dues	36,131,083.00	35,690,000.00
Assignment and transfer fees	18,081,250.00	16,106,063.00
Total members' assessments	54,212,333.00	51,796,063.00
Clubhouse operations:		
Green fees	29,136,542.00	15,174,414.00
Tournaments	1,040,271.00	159,822.00
Recreational facilities fees	1,013,082.00	467,008.00
Facilities rental	1,418,439.00	390,178.00
Concessionaire's fee	3,138,329.00	1,714,674.00
Proshop commission	772,371.00	558,112.00
Sale of Proshop goods	468,484.00	258,724.00
Others-net	365,110.00	70,476.00
Total revenue from clubhouse operations	37,352,628.00	18,793,408.00
Total receipts	91,564,961.00	70,589,471.00
Cost of goods sold and services	(12,813,822.00)	(10,006,163.00)
Excess of receipts over cost before operating expense, other income and depreciation expense	78,751,139.00	60,583,308.00
Operating expenses other than depreciation	(47,529,993.00)	(41,710,987.00)
Interest expense	(704,326.00)	(505,864.00)
Interest income	737,097.00	70,318.00
Reversal of (provision for) doubtful accounts	(1,754,195.00)	(29,354.00)
Other income, net	335,215.00	2,446,167.00

	2023	2022
Excess of receipts and other income over costs and operating expense other than depreciation expense	29,834,937.00	20,853,588.00
Depreciation expense	(11,150,632.00)	(10,082,042.00)
Excess of receipts (expenses) over receipt before income tax expenses	18,684,305.00	10,771,546.00
Provision for current income tax	(187,500.00)	(250,000.00)
NET INCOME	18,496,805.00	10,521,546.00

The Club's total receipts for the first quarter, increased by PhP 21 Million or 29.7% from PhP 70.6 Million in 2022 to PhP 91.6 Million in the current year, mainly due to higher revenue from green fees, which increased by PhP 14 Million or 92% from PhP 15.2 Million in 2022 to PhP 29.1 Million in the current year. Moreover, revenues from members' assessments increased by PhP 2.4 Million from PhP 51.8 Million in 2022 to PhP 54.2 Million this year.

Meanwhile, the Club's total cost of goods sold & services and other operating expenses other than depreciation registered an increase amounting to PhP 2.8 Million or 28.1% and PhP 5.8 Million or 14%, respectively.

With the increase in operating revenues and operating expenses, the Club's first quarter income before income tax is at PhP 18.7 Million, which is PhP 7.9 Million or 73.5% higher than prior year's first quarter income before income tax of PhP 10.8 Million.

Item 7. Financial Statements

The audited financial statements of the Club for the years ended December 31, 2022, 2021, and 2020, are attached hereto as Annex "A," "A-1" and "A-2," respectively.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

During the 2022 Annual Shareholders' Meeting, the Club engaged Isla Lipana & Co. (PWC) as its external auditor for the ensuing year. The Club has no disagreements with Isla Lipana & Co. (PWC) on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Previously, during the Club's 2021 Annual Shareholders' Meeting, the Club elected Isla Lipana & Co. (PWC) as its independent auditors.

Mr. Dennis M. Malco, the Club's engagement partner in Isla Lipana & Co. (PWC) performed the auditor of the Club's accounts for the year 2022. Accordingly, the 2022 Audited Financial Statement was signed by Mr. Dennis M. Malco.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>Citizenship</i>	<i>Term of Service</i>	<i>Length of Service</i>
Vicente R. Santos	66	Director/Chairman	Filipino	1 year	29 years
Tomas Julio A. Benitez	51	Director/President	Filipino	1 year	9 years
Henry T. Cua Loping	86	Director/Treasurer	Filipino	1 year	29 years
Exequiel D. Robles	67	Director/Corp. Secretary	Filipino	1 year	29 years
Jose P. Crisostomo, Jr.	67	Independent Director	Filipino	1 year	10 years
Jose S. Gonzales	67	Independent Director	Filipino	1 year	6 years
Mariza S. Tan	64	Director/First Asst. Corp. Secretary	Filipino	1 year	8 years/27 years
Jose Ernilo P. Famy	57	CFO/Gen. Manager & COO	Filipino	Reg. Emp	26 years/4 year
Jon Michael P. Alamis	49	Asst. Compliance Officer/Second Asst. Corp. Secretary	Filipino	1 year	9 years/15 years

Profiles of Directors and Executive Officers

VICENTE R. SANTOS

Director/Chairman of the Board

Mr. Vicente R. Santos has been the Executive Vice-President of Sta. Lucia Realty & Development, Inc. since 1980; Valle View Realty Development Corp. since 1988; Sta. Lucia East Cinema Corp. since 1990; Sta. Lucia Waterworks Corp. since 1990; Rob-San East Trading Corp. since 1991; Sta. Lucia East Commercial Corp. since 1991; RS Night Hawk Security & Investigation Agency since 1992; Sta. Lucia East Bowling Center, Inc. since 1993; and Sta. Lucia East Department Store, Inc. since 1993. He has been the President of Acropolis North since 2003. He has been the Corporate Secretary of Lakewood Cabanatuan since 2005.

He is the currently the Chairman of the Club's Board of Directors, and the Chairman of Sta. Lucia Land, Inc. He also sits as a director of several companies and owns other businesses related to real estate. He is presently a Director of Federation of Golf Club Philippines, Inc. (FEDGOLF), Eagle Ridge Golf & Country Club, and Summit Point Golf & Country Club. He is also the President of Rancho Palos Verdes Golf & Country Club in Davao.

Mr. Santos is also the current Chairman of the Club's Membership Committee, and a member of the Audit and Finance Committees.

TOMAS JULIO A. BENITEZ

Director/President and Chief Executive Officer

Mr. Tomas Julio A. Benitez is the managing director of Chubby Conrads Foods Corporation from 2006 to present and the President of PJL Foods Corporation from 2004 to present.

Mr. Benitez serves as the Chairman of the Club's Sports & Games Committee and as Co-Chairman of the Membership Committee.

He is a graduate of Ateneo de Manila University with a degree in Economics, and a Master's Degree in Business Management from the Asian Institute of Management. He is a board member and trustee of the Philippine Women's College of Davao.

He replaced Mr. Conrado L. Benitez II as President and Chief Executive Officer due to the latter's passing on 28 March 2020.

HENRY T. CUA LOPING

Director/Treasurer and Principal Financial Officer

Mr. Henry Cua Loping has been a member of the Board of Directors since the Club's first Annual Shareholders' Meeting in July 1997.

He is the Executive Vice-President of ACL Development Corporation since 1981 to present and Filpak Industries, Inc. from 1978 to present. He is also the Treasurer of Pacific Oil Products, Inc. since 1980. Mr. Cua Loping holds a degree in B.S. Chemical Engineering from Mapua Institute of Technology and a Master's degree in Chemical Engineering from Massachusetts Institute of Technology. He is also the Chairman of the Club's Finance Committee, and a member of the Club's Audit Committee.

EXEQUIEL D. ROBLES

Director/Corporate Secretary

Mr. Exequiel D. Robles has been a member of the Club's Board of Directors since 1994. He is also the President and moving force behind the success of the Sta. Lucia Realty & Development, Inc. since 1980 and Sta. Lucia Land, Inc. both of which have developed prime subdivisions in Metro Manila, Central Luzon, Cavite, Batangas, Laguna, Cebu, Bacolod and Davao.

He has been a director of RS Maintenance and Service Corp. since 1989; Sta. Lucia East Cinema Corp. since 1990; Sta. Lucia Water Works Corp. since 1990; Rob-San East Trading Corp. since 1991; Sta. Lucia East Commercial Corp. since 1991; RS Night Hawk Security & Investigation Agency since 1992; Sta. Lucia East Bowling Center, Inc. since 1993; and Sta. Lucia East Department Store, Inc. since 1993. He has been the Chairman of the Board of Royale Homes Marketing Corporation since 1995 and Sta. Lucia Health Care since 2000.

To his credit are more than 250 prime subdivisions such as Acropolis Green, Xavierville III, and Royale Cebu Estates, to name a few. Sta. Lucia has also developed world-class shopping malls, beach clubs, and golf courses, such as the Club, Eagle Ridge, Alta Vista, Rancho Palos Verde, Royale Tagaytay, Caliraya Springs, Splendido, Summit Point and Lakewood. Sta. Lucia was CREBA 2003 Developer of the Year.

MARIZA S. TAN

Director/Compliance Officer/First Assistant Corporate Secretary

Ms. Mariza Santos-Tan has been a member of the Club since 1994. She is an incumbent director of Sta. Lucia Realty & Development, Inc., RS Maintenance & Services Corp., Sta. Lucia East Cinema Corp., Sta. Lucia Waterworks Corp., Rob-San East Trading Corp., Sta. Lucia East Commercial Corp., RS Nighthawk Security, Sta. Lucia East Bowling Center, Inc., Sta. Lucia East

Department Store, Inc., Sta. Lucia Supermarket, Express Workshop, Inc., Worlds of Fun, Inc. and Manila Jockey Club, Inc. Ms. Tan also currently holds the position of President in St. Mary's Estate Corporation and Chairman in MJC Investment Corp.

JOSE P. CRISOSTOMO, JR.
Independent Director

Atty. Jose P. Crisostomo, Jr. has been a member of the Club since 1994 and is currently an Independent Director of the Club. He serves as the Chairman of the Audit Committee and Nomination Committee, and as one of the Co-Chairmen of the House Committee.

He is a senior partner at Siguion Reyna Montecillo & Ongsiako and currently the President of Imus Rural Bank. He was formerly a Trial Attorney in the Office of the Solicitor General and an Investment Analyst of Ayala Investment & Development Corporation.

Atty. Crisostomo holds a degree in B.S. Business Economics from the University of the Philippines and took a course in Maritime Law in the University of Southampton, England. He is a member of the Integrated Bar of the Philippines, Philippine Bar Association, Philippine Dispute Resolution, Inc. and Maritime Law Association of the Philippines. He is also a Governor and the Corporate Secretary of San Lorenzo Village Association.

He was admitted to the Philippine Bar in 1982 and ranked 8th in the Bar Examination.

JOSE S. GONZALES
Independent Director

Mr. Jose S. Gonzales has been an active member of the Club since 1994, and presently sits as the President of the Orchard Senior Golfer's Association.

He retired as the General Manager of Cannon Textile, Inc., a multinational fully integrated textile operations – from Spinning to Garments in Egypt, UAE, India, Indonesia, and the Philippines. He was also a Lecturer at the Development Academy of the Philippines, a charter member and Treasurer of the Productivity Improvement Circles Association of the Philippines, a two-term president of the Rizal Province Chamber of Commerce and Industry from 1986 to 1987, and a Millennium President of Rotary club of Metrowest Triangle, District 3780 Quezon City and Plus 3 Paul Harris Fellow.

Mr. Gonzales holds a degree in B.S. Chemical Engineering from the University of San Agustin, and attended Master's in Business Administration at the Ateneo de Manila University.

JOSE ERNILO P. FAMY
General Manager and Chief Operating Officer

Mr. Jose Ernilo P. Famy assumed the position of Chief Finance Officer in December 1996 and assumed the position of General Manager and Chief Operating Officer in December 2018.

He is a graduate of Colegio De San Juan De Letran Manila with a degree of Bachelor of Science in Commerce majoring in Accounting. He is a Certified Public Accountant and has a Diploma in Business Administration from De La Salle University – Dasmariñas. He has taken up the Executive MBA Program from the same university.

Mr. Famy worked with different companies such as SGV & Co., Dutch Boy Phils., Inc., Leslies Corporation and the MB Villar Group of Companies. He is also a member of the Philippine Institute of Certified Public Accountants (PICPA) and Institute of Internal Auditors – Philippines (IIA-P).

IRENE G. PATRICIO

Finance Manager and Principal Accounting Officer

Ms. Irene G. Patricio assumed the position of Financial Analyst in July 2013, Internal Audit Supervisor in June 2017, and Finance Manager in December 2021. She is a graduate of St. Louis University with a degree of Bachelor of Science in Accountancy. She is a Certified Public Accountant and is a member of the Philippine Institute of Certified Public Accountants (PICPA) and Institute of Internal Auditors - Philippines (IIA-P).

JON MICHAEL P. ALAMIS

Assistant Compliance Officer/Second Assistant Corporate Secretary

Atty. Jon Michael P. Alamis is a graduate of the Ateneo De Manila University School of Law. He is currently a senior partner at Lu Mamangun Juco & Alamis, and previously served as general counsel of the Wall Street Global Group (Hong Kong and Manila) from November 2006 to August 2007.

Atty. Alamis became a member of the Philippine Bar in 2000, and is a member of the Hong Kong Securities Institute.

(2) Significant Employees

The business of the Club is not highly dependent on the services of any personnel.

(3) Family Relationships

Mr. Exequiel D. Robles is the first cousin of Mr. Vicente R. Santos and Ms. Mariza S. Tan. Mr. Santos and Ms. Tan are siblings.

Mr. Tomas Julio A. Benitez is the son of the late Mr. Conrado L. Benitez II.

(4) Involvement in Certain Legal Proceedings of Directors and Officers

Please refer to Part I Item 3 for the summary, status and nature of the following relevant legal proceedings involving the Club's directors and/or officers:

- The Orchard Golf and Country Club, Inc. v. Commissioner of Internal Revenue
(Court of Tax Appeals, CTA Case No. 8986)
- The Orchard Golf & Country Club, Inc., Conrado L. Benitez II and Ruby Alano-Benitez v. Atty. Bienvenido A. Cerbo, Jr.
Commission on Bar Discipline (CBD) Case No. 18-58691

- Philip L. Go, Julio Felino Manalo, Roel R. Rafael, Jose C. Lalisán, Jr., Guilbert Purcia, Sr., Jose Maria Cajucom v. The Orchard Golf & Country Club, Inc., Sta. Lucia Realty & Development, Inc., AFP-RSBS, Henry Cua Loping and HZB Group (Civil Case No. 7080-20, Branch 21, RTC Imus, Cavite)
- The Orchard Golf & Country Club, Inc., Sta. Lucia Realty & Development, Inc., and ACL Development Corporation v. Philip L. Go, Julio Felino Manalo, Roel R. Rafael, Jose C. Lalisán, Jr., Guilbert Purcia, Sr., Jose Maria Cajucom (C.A.-GR. SP. No. 177020, Court of Appeals, Special Second Division)
- Deogracias L. Cristobal and Vicente D. Pacheco, Jr. v. Francis Montallana, Tomas Julio Benitez, Vicente Santos, Nilo Famy and Noel Canivel (Civil Case No. 2-0068, Branch 275, RTC Las Piñas City)

Apart from the foregoing, no director, independent director, nominee for election as director, executive officer or control person of the Club has been involved in any of the following events during the past five (5) years up to 31 December 2022:

- Any bankruptcy petition filed by or against any business of which he was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

The members of the Board of Directors do not receive regular compensation from the Club. Information as to the compensation of the President and other Officers for 2020, 2021, 2022 and 2023 are as follows:

<i>Name & Principal Position</i>	<i>Year</i>	<i>Salary (PhP)</i>	<i>Bonus (PhP)</i>	<i>Other Annual Compensation</i>
Chairman of the Board and all other six members of the Board as a group unnamed	2020	None	None	None
	2021	None	None	None
	2022	None	None	None
	2023*	None	None	None
President and all other four Key Management Personnel as a group unnamed	2020	5,806,285	1,770,491	None
	2021	6,964,357	2,064,366	None
	2022	7,143,844	2,398,220	None
	2023*	7,427,066	3,850,017	None

*The 2023 figures comprise actual amounts from January to March and estimates from April to December.

The Club does not have any other arrangements pursuant to which any director is compensated, directly or indirectly, for any service provided as a director.

Item 11. Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

The Record/Beneficial Owners of more than 5% of each class of the Club's voting securities is as follows:

Apart from the foregoing, there are no other persons holding more than 5% of the outstanding capital stock of the Club.

<i>Class of Shares</i>	<i>Name & Address of Record Owner & Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares Held</i>	<i>Perce nt of Class</i>
Class "A"	Sta. Lucia Realty & Devt., Inc. G/F State Finance Center, Ortigas, Mandaluyong City	Vicente R. Santos Exequiel D. Robles Mariza Santos-Tan	Filipino	212 shares owner of record	11.78 %
	SLRDI is the developer of the Club.	The beneficial owners are shareholders and officers of the record owner.			
Class "B"	Sta. Lucia Realty & Devt., Inc. G/F State Finance Center, Ortigas, Mandaluyong City	Vicente R. Santos Exequiel D. Robles Mariza Santos-Tan	Filipino	239 shares owner of record	34.14 %
	SLRDI is the developer of the Club.	The beneficial owners are shareholders and officers of the record owner.			
Class "B"	ACL Development Corp. 18/F Titana Plaza Bldg., Binondo, Manila	Henry T. Cua Loping	Filipino	62 shares owner of record	8.86%
	ACL contributed land and cash for the development of the Club.	The beneficial owner is a shareholder and officer of the record owner.			
Class "B"	AFP-RSBS 424 Capinpin Rd., Boni Serrano Ave. cor. EDSA, Q.C.			36 shares owner of record	5.14%
	AFP-RSBS contributed land and cash for the development of the Club.				
Class "C"	Sta. Lucia Realty & Devt., Inc. G/F State Finance Center, Ortigas, Mandaluyong City	Vicente R. Santos Exequiel D. Robles Mariza Santos-Tan	Filipino	43 shares owner	8.60%

<i>Class of Shares</i>	<i>Name & Address of Record Owner & Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares Held</i>	<i>Percent of Class</i>
	SLRDI is the developer of the Club.	The beneficial owners are shareholders and officers of the record owner.		of record	
Total			Class "A"	212 shares	11.78 %
			Class "B"	337 shares	48.14 %
			Class "C"	43 shares	8.60%

(2) Security Ownership of Management

Other than the following shares held by the directors, the directors and officers do not own shares in the capital stock of the Club. The incumbent directors, as a group, own 8 shares in the capital stock of the Club.

<i>Class of Shares</i>	<i>Name of Beneficial Owner</i>	<i>Amount & Nature of Beneficial Ownership</i>	<i>Citizenship</i>	<i>Percent of Class</i>
"A"	Vicente R. Santos Chairman/Director	1 Qualifying Share	Filipino	0.05%
"A"	Tomas Julio A. Benitez President & CEO/Director	1 Share – Record Owner	Filipino	0.05%
"A"	Exequiel D. Robles Corporate Secretary/Director	1 Qualifying Share	Filipino	0.05%
"A"	Henry T. Cua Loping Treasurer/Director	1 Qualifying Share	Filipino	0.05%
"A"	Mariza S. Tan Director/Compliance Officer/First Asst. Corporate Secretary	1 Qualifying Share 1 Share – Record Owner	Filipino	0.11%
"A"	Jose P. Crisostomo, Jr. Independent Director	1 Share – Record Owner	Filipino	0.05%
"A"	Jose S. Gonzales Independent Director	1 Share – Record Owner	Filipino	0.05%
Total		8 Shares		

(3) Voting Trust Holders of 5% or More

There are no voting trust holders of 5% or more of the securities of the Club.

(4) Changes in Control

There are no arrangements that have resulted in a change in control of the Club.

Item 12. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Club; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Club that gives them significant influence over the Club and close members of the family of any such individual. In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

<i>Members</i>			<i>Purchases of Operating Supplies, Equipment and Services</i>	<i>Amounts Owed by the Club</i>
The Turf Company	2022	Noninterest-bearing; on demand and unsecured	P 11,008,191.00	P -
	2021		3,043,433.00	89,890.00
	2020		3,800,991.00	2,353,299.00
ADY Printing Press	2022	Noninterest-bearing; on demand and unsecured	540,179.00	-
	2021		309,375.00	58,929.00
	2020		220,982.00	-
BNG Transmedia Services	2022	Noninterest-bearing; on demand and unsecured	271,700.00	-
	2021		194,700.00	42,900.00
	2020		145,200.00	-
Omnisource International Trading	2022	Noninterest-bearing; on demand and unsecured	207,873.00	207,873.00
	2021		-	-
	2020		-	-
Sanitary Care Products Asia	2022	Noninterest-bearing; on demand and unsecured	30,729.00	-
	2021		6,251.00	-
	2020		47,139.00	-
Szolare Company Inc.	2022	Noninterest-bearing; on demand and unsecured	11,298.00	7,829.00
	2021		26,164.00	-
	2020		62,913.00	13,082.00
Scents of the Island	2022	Noninterest-bearing; on demand and unsecured	-	-
	2021		-	-
	2020		50,639.00	-
C-Mon Trading	2022	Noninterest-bearing; on demand and unsecured	58,969.00	10,902.00
	2021		12,388.00	-
	2020		21,804.00	10,902.00
Value Metrics, Inc.	2022	Noninterest-bearing; on demand and unsecured	76,800.00	-
	2021		-	-
	2020		-	-
Gutzvia Enterprise	2022	Noninterest-bearing; on demand and unsecured	62,808.00	-
	2021		-	-
	2020		-	-
Totals	2022		12,268,547.00	226,604.00
	2021		3,592,311.00	191,719.00
	2020		4,349,668.00	2,377,283.00

Transaction with Promoters

No transaction exists between the Club and any of its Promoters.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

1. The Club filed its Revised Manual on Corporate Governance (the “Manual”) with the Securities and Exchange Commission pursuant to the Revised Code of Corporate Governance. Management has already taken steps to ensure that the major requirements of the Manual are met, such as the creation of an Audit Committee and Nomination Committee, the passage of the Code of Ethics and Business Conduct, and certain enhancements in the functions and roles of the existing Election Committee and Finance Committee.
2. The Board of Directors of the Club approved the charter of the Audit Committee and the Code of Ethics and Business Conduct. Internal audit functions are being performed by the Internal Audit Department which reports directly to the Audit Committee.
3. There are no major deviations from the Revised Manual on Corporate Governance.
4. To improve corporate governance, management has created a Nomination Committee, one member of which shall be an independent director.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

See accompanying Index to Exhibits, page 35.

Reports on SEC Form 17-C

1. SEC Form 17-C dated 11 October 2022 was filed electronically on 12 October 2022, to report that the Club’s Annual Shareholders’ Meeting was held on 8 October 2022 via remote communication through the Zoom application; the approval of the extension of Atty. Crisostomo’s term as independent director; the results of the election of a new external auditor; and the results of the election of the Club’s Board of Directors. A copy of the said report is hereto attached as Annex “B.”
2. SEC Form 17-C dated 27 October 2022 was electronically filed on 27 October 2022, to report that the Club held its organizational meeting on 25 October 2022 via remote communication through the Zoom application and enumerated the officers elected to their respective positions, to serve as such until the next Annual Shareholders’ Meeting and their successors are duly elected and qualified. A copy of the said report is hereto attached as Annex “B-1.”

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the **Pasig City** on APR 13 2023 2023.

By:


TOMAS JULIO A. BENITEZ
President &
Chief Executive Officer


VICENTE R. SANTOS
Chairman of the Board


IRINE G. PATRICIO
Finance Manager &
Chief Accounting Officer


JOSE ERNILO P. FAMY
General Manager &
Chief Operating Officer


HENRY CUA LOPING
Principal Financial Officer



EXEQUIEL D. ROBLES
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 13 2023 of April 2023 affiant(s) exhibiting to me their Tax Identification Number, as follows:

Tomas Julio A. Benitez	TIN No. 190-872-271
Vicente R. Santos	TIN No. 155-810-410
Irene G. Patricio	TIN No. 305-589-772
Jose Ernilo P. Famy	TIN No. 107-081-014
Henry Cua Loping	TIN No. 127-189-383
Exequiel D. Robles	TIN No. 139-154-445

Doc No. 154
Page No. 33
Book No. ✓
Series of 2023.




ATTY. CHILES MEGAN M. AREÑO
Notary Public for Pasig City
Appointment No. 151(2023-2024)
Roll of Attorneys No. 74058
IBP O.R. No. 265051; 01.03.2023; RSM:
PTR No. 8979047; 01.04.2023; Pasig City
MCLE Compliance No. VII-0004079; 07.21.2021
2304 Antel Global Corporate Center,
Julia Vargas Ave., Ortigas, Pasig City

INDEX TO FINANCIAL STATEMENT
OF
THE ORCHARD GOLF AND COUNTRY CLUB, INC.

Item 7, FORM 17-A

FINANCIAL STATEMENTS

- Statement of Management's Responsibility for Financial Statements
- Independent Auditors' Report
 - On the Financial Statements
 - On the Supplementary Information Required Under Revenue regulation 15-2010
- Statements of Financial Position
- Statements of Comprehensive Income
- Statements of Changes in Equity
- Statements of Cash Flows
- Notes to Financial Statements
- Independent Auditor's Report on Supplementary Schedule
- Schedule of All Effective Standards and Interpretations