

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. CYRIL A. PANGANIBAN

(Contact Person)

(632) 8.293.3510

(Company Telephone Number)

1 2

Month

Fiscal Year

3 1

Day

SEC FORM 20-IS

FORM TYPE

October 12, 2024

Month

Day

Annual Meeting

N/A

(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.

SEC No. **AS092-000798**

File No. _____

COVER SHEET

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A NONPROFIT ORGANIZATION)

(Company's Full Name)

Km. 27 Aguinaldo Highway, Salawag,

Dasmariñas City, Cavite 4114

(Company's Address)

(02) 8982-2000

(Company's Telephone Number)

December 31

(Year Ending)

(Month & Day)

SEC FORM 20 – IS

Form Type

Amendment Designation (if applicable)

31 May 2024

(Period Ended Date)

(Secondary License Type and File Number)

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter **The Orchard Golf & Country Club, Inc.**
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **ASO92-000798**
5. BIR Tax Identification Code **002-829-253**
6. **Km. 27 Aguinaldo Highway, Salawag, Dasmariñas, Cavite** **4144**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(632) 8 982 2000**
8. Date, time, and place of the meeting of security holders
Date **12 October 2024**
Time **10 A.M.**
Place **Orchard Golf & Country Club, Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite**
9. Approximate date on which the Information Statement is first to be sent or given to security holders **16 July 2024**
10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor:
ATTY. ROMAN CYRIL A. PANGANIBAN
On behalf of The Orchard Golf & Country Club, Inc.

Address and Telephone No.
Unit 2304 Antel Global Corporate Center,
No. 3 Julia Vargas Avenue, Ortigas Center, Pasig City
(+632) 7 919 4643
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Class "A"	1,800
Class "B"	700
Class "C"	500

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes [] No [x]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein: **Not Applicable**

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders.

Date : 12 October 2024
Time : 10 A.M.
Place : Presiding at The Orchard Golf & Country Club, Inc., Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite; with the participation of shareholders through remote communication via Zoom Webinar
Registrant's Mailing Address : Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite
Approximate Date on which Information Statement is First to be Sent or Given to Security Holders : 16 July 2024

Item 2. Dissenters' Right of Appraisal

The shareholders of The Orchard Golf & Country Club, Inc. (the "Club") shall have appraisal right, or the right to dissent and demand payment of the fair value of their shares in the manner provided under Section 80 of the Revised Corporation Code of the Philippines under the following circumstances:

- In case of any amendment to the Articles of Incorporation, which has the effect of changing or restricting the rights of shareholders or any class of shares, or the authorizing preferences in any respect superior to those outstanding shares of any class, or extending or shortening the term of the Club's corporate existence;

- In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the Club's assets as provided under the Corporation Code;
- In case of merger or consolidation of the Club with another corporation;
- In case of an investment of corporate funds for any purpose other than the primary purpose of the Club, except where such investment is reasonably necessary to accomplish the primary purpose of the Club.

The appraisal right may be exercised by any shareholder who shall have voted against any of the foregoing proposed corporate actions, by making a written demand on the Club for the payment of the fair value of his/her/its share/s within thirty (30) days after the date on which the vote was taken; *Provided* that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Club shall pay such shareholder, upon surrender of the certificate or certificated of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action; however, no payment shall be made to any shareholder unless the Club has unrestricted retained earnings in its books to cover such payment. Within ten (10) days after demanding payment for his/her/its share/s, a dissenting shareholder shall submit his/her/its stock certificate/s for notation thereon that such shares are dissenting shares, failing which, his/her/its appraisal right shall terminate, at the option of the Club.

From the time a demand for payment of fair value until either the abandonment of the corporate action involved or the purchase of said shares by the Club, all rights accruing to such shares, including the voting and dividend rights, shall be suspended. If the dissenting shareholder is not paid the value of the shares within thirty (30) days after the award, his voting and dividend rights shall be restored.

There are no corporate actions or matters to be taken up at the Annual Shareholders' Meeting that may give rise to the exercise by the shareholders of the right of appraisal.

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

None of the directors or officers of the Club, or any nominee to the Board of Directors or any associate of the foregoing persons have substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Shareholders' Meeting. Likewise, there are no persons who have substantial interest, direct or indirectly, in any matter to be acted upon other than the election to office.

There is no director who has informed the Club in writing that he intends to oppose any action to be taken by the Club at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- (a) The Club has, as of 30 June 2024, 3000 outstanding common shares of stock. Of this figure, there are 1,800 Class "A" shares, 700 Class "B" shares, and 500 Class "C" shares. Each share, no matter which class it belongs to, is entitled to one (1) vote.
- (b) Any shareholder may vote in the election of directors provided that such shareholder possesses all of the following qualifications:

- (1) The shareholder must be a registered owner of at least one (1) share of stock;
- (2) In case of a juridical entity, a duly notarized Secretary's Certificate attesting to the adoption of a board resolution appointing the representative authorized to vote on behalf of such juridical entity must be received by the Corporate Secretary of the Club through the Secretariat on or before 5 P.M. on 8 October 2024;
- (3) The shareholder must be a member in good standing, *i.e.*, the shareholder must be updated in the payment of his monthly dues and other accountabilities to the Club as of 5 P.M. on 8 October 2024 and has not been declared delinquent by the Board of Directors with the effect of suspending the member's exercise of his/her/its right to vote.
- (4) In the case of proxies, a duly accomplished proxy instrument with the required supporting documents must be received by the Secretariat no later than 5 P.M. on 8 October 2024.
- (5) Pursuant to Article VI, Section 6 of the Club's By-Laws, a shareholder may vote during the Annual Shareholders' Meeting either in person, by proxy or *in absentia*.

Applying Section 23 of the Revised Corporation Code, each shareholder may vote in any of the following manner:

- (1) He may vote such number of shares for as many persons as there are directors to be elected;
- (2) He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by his shares; or
- (3) He may distribute them on the same principle among as many candidates as he shall see fit.

In any of the foregoing instances, the total number of votes cast by the shareholder should not exceed the number of shares owned by him as shown in the books of the Club multiplied by the number of directors to be elected.

Security Ownership of Certain Record and Beneficial Owners and Management

As of 30 June 2024, the Record/Beneficial Owners of more than five percent (5%) of each class of the voting securities is as follows:

<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>Percentage 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.	Vicente R. Santos Exequiel D. Robles Mariza Santos-Tan	Filipino	239 shares owner of record	34.14%

	G/F State Finance Center, Ortigas, Mandaluyong City				
	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 of record	8.60%
	SLRDI is the developer of the Club.	The beneficial owners are shareholders and officers of the record owner			
Total			Class "A"	212 shares	11.78%
			Class "B"	337 shares	48.14%
			Class "C"	43 shares	8.60%

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

Messrs. Vicente R. Santos and Exequiel D. Robles exercise voting power over shares held by SLRDI. Mr. Henry Cua Loping is the nominee of ACL Development Corporation to the Board of Directors and exercises voting power over the shares thereof.

AFP-RSBS designated the Club to vote its shares in the 2016 Annual Shareholders' Meeting. In correspondence with Mr. Jose Antonio Pepito of the Legal Department of AFP-RSBS, he related that AFP-RSBS was indeed abolished pursuant to Malacañang Memorandum Circular No. 90 dated 8 April 2016, and had, sometime in the last quarter of 2016, submitted with the Governance Commission for Government Owned and Controlled Corporations (GCGOCC) a plan/proposal for the liquidation of its assets and the winding down of its affairs. With the recent change of the country's administration, however, and the appointment of new commissioners and/or other officers in the GCGOCC, such plan/proposal has yet to be acted upon.

At the 2021 Annual Shareholders' Meeting of the Club, AFP-RSBS submitted a Secretary's Certificate in which the Board of Liquidators of AFP-RSBS resolved to appoint any of the following three (3) officers of AFP-RSBS as its proxy in said Annual Shareholders' Meeting: The President/CEO, or EVP/CO. That year, the President/CEO of AFP-RSBS was Mr. Norman C. Legaspi, while the EVP/COO was Mr. Rafael C. Valencia. As of the date hereof, the said proxy remains in full force and effect, and has not been revoked.

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. As of 30 June 2024, the incumbent directors, as a group, own seven (7) 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"	Henry T. Cua Loping Treasurer/Director	1 Qualifying Share	Filipino	0.05%
"A"	Exequiel D. Robles Corporate Secretary/Director	1 Qualifying Share	Filipino	0.05%
"A"	Philip L. Go Independent Director	1 Share – Record Owner	Filipino	0.05%
"A"	Jose Arturo M. Tugade Independent Director	1 Share – Record Owner	Filipino	0.05%
"A"	Jose S. Gonzales Independent Director	1 Share – Record Owner	Filipino	0.05%
Total		7 Shares		

Voting Trust Holders of 5% or More

There are no voting trust holders of five percent (5%) or more of the securities of the Club.

Changes in Control

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

Item 5. Directors and Executive Officers

(A) Background Information

The members of the Board of Directors of the Club, its executive officers, and all other persons nominated as of the record date are as follows:

Name	Age	Position	Citizenship	Term of Service	Length of Service
Vicente R. Santos	67	Director and Chairman; Nominee for Director	Filipino	1 year	30 years
Tomas Julio A. Benitez	52	Director and President; Nominee for Director	Filipino	1 year	10 years
Henry T. Cua Loping	87	Director and Treasurer; Nominee for Director	Filipino	1 year	30 years
Exequiel D. Robles	68	Director and Corp. Secretary; Nominee for Director	Filipino	1 year	30 years
Jose S. Gonzales	68	Independent Director; Nominee for Director	Filipino	1 year	7 years
Jose Arturo M. Tugade	42	Independent Director; Nominee for Director	Filipino	1 year	Less than 1 year
Philip L. Go	73	Independent Director; Nominee for Director	Filipino	1 year	Less than 1 year
Mariza S. Tan	65	Compliance Officer and First. Asst. Corp. Secretary; Nominee for Director	Filipino	1 year	9 years/ 28 years
Jose Ernilo P. Famy	58	CFO/General Manager and Chief Operating Officer	Filipino	Reg. Emp.	27 years/5 years
Chiles Megan M. Areño	30	Assistant Compliance Officer and Second Asst. Corporate Secretary	Filipino	1 year	Less than 1 year

The incumbent directors are amongst the nominees in the upcoming Annual Shareholders' Meeting.

Copies of the Certification of Independent Director of the nominees Jose S. Gonzales, Jose Arturo Tugade, Philip L. Go, Alfredo Espino, Celestin L. Ko, Jose C. Lalsan Jr., Julio Felino M. Manalo, Renato Ramos, Wilbert T. Young, Raul R. Corro, Chongyun Park, and Alfredo C. Lim are hereto attached as Annexes "G" to "R", respectively.

Profiles of Directors, Executive Officers, and Nominees

VICENTE R. SANTOS, *Director, and Chairman of the Board
Nominee for Director*

Directorship: Served as Director for The Orchard Golf and Country Club from 1997 up to present for a total of 27 Years.

Type of Share: Individual Class A
No. of Shares: 1

For the Last Five Years: Mr. Vicente R. Santos is currently the Club's Chairman of the Board and of the Membership Committee, and a member of the Audit and Finance Committees. He is also the Chairman of Sta. Lucia Land, Inc., and also sits as a director of several companies and owns other businesses related to real estate. He is presently the Director of the National Golf Association of the Philippines

(NGAP), Eagle Ridge Golf & Country Club, and Summit Point Golf & Country Club and is the President of Rancho Palos Verdes Golf & Country Club in Davao.

Mr. Santos also 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.

List of positions and offices held or will hold:

Chairman	-	The Orchard Golf and Country Club	1996- Present
Chairman	-	Sta. Lucia Land Inc.	1994 - Present
President	-	Rancho Palos Verdes Golf & Country Club	
Director	-	The Federation of Golf Clubs in the Philippines (FEDGOLF)	
		Eagleridge Gold and Country Club	
		Summit Point Golf and Country Club	
		National Golf Association of the Philippines	

TOMAS JULIO A. BENITEZ, *Director and President and Chief Executive Officer*
Nominee for Director

Directorship: Served as Director for The Orchard Golf and Country Club from 2014 up to present for a total of 10 Years.

Type of Share: Individual Class A
No. of Shares: 2 – Record Owner

For the Last Five Years: Mr. Tomas Julio A. Benitez is currently the President and CEO of The Orchard while serving as Chairman of the Sports and Games Committee. He is a Board member and Trustee of the Philippine Women’s College of Davao. As well as a Trustee of Malaya FC. Also owns a franchise of two well-known restaurant brands.

Mr. Benitez is also the managing director of Chubby Conrads Foods Corporation from 2006 to present and the President of PJJL Foods Corporation from 2004 to present. Further, he 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.

List of positions and offices held or will hold:

President and CEO	-	The Orchard Golf and Country Club	2021 to Present
Board Member and Trustee	-	Philippine Women's College of Davao	

HENRY T. CUA LOPING, *Director, and Treasurer*

Nominee for Director

Directorship: Served as Director for The Orchard Golf and Country Club from 1997 up to present for a total of 27 Years.

Type of Share: Individual Class A

No. of Shares: 1

For the Last Five Years: Mr. Henry Cua Loping has been a member of the Board of Directors since July 1997. He is the Executive Vice-President of ACL Development Corporation and Filpak Industries, Inc. He is also the Chairman of both the Finance and Compensation Committee.

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

List of positions and offices held or will hold:

Executive Vice President	-	ACL Development Corporation	1994 - Present
Director	-	The Orchard Golf and Country Club	1997 - Present

*EXEQUIEL D. ROBLES, Director, and Corporate Secretary
Nominee for Director*

Directorship: Served as Director for The Orchard Golf and Country Club from 1997 up to present for a total of 27 Years.

Type of Share: Individual Class A

No. of Shares: 1

For the Last Five Years: Mr. Exequiel D. Robles is the President and the CEO of Sta. Lucia Realty & Development Inc. and Sta. Lucia Land, Inc. which developed prime subdivisions in Metro Manila, Central Luzon, Cavite, Batangas, Laguna, Cebu, Bacolod and Davao. To his credit are almost 300 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 Orchard, Eagle Ridge, Alta Vista, Rancho Palos Verdes, Royale Tagaytay, Caliraya Springs, Splendido, Summit Point and Lakewood. Sta. Lucia was CREBA 2003 Developer of the year.

Mr. 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.

List of positions and offices held or will hold:

President	-	Sta. Lucia Realty and Development Inc.	1994 to present
	-	Sta Lucia Land	

MARIZA S. TAN, *Compliance Officer/First Assistant Corporate Secretary*
Nominee for Director

Directorship: Served as Director for The Orchard Golf and Country Club from 1997 up to present for a total of 27 Years.

Type of Share: Individual Class A

No. of Shares: 2

The Last Five Years: Ms. Mariza Santos-Tan had been in the real estate industry for more than 20 years, and already hold various positions that lead and direct the company into stability and success. Currently, she serves as the Director and the Treasurer for Sta. Lucia Real Estate & Development, Inc. Moreover, holds the position of Director of RS Maintenance & Services Corp., Sta. Rob-San East Trading Corp., Lucia East Cinema Corp., Sta. RS Nighthawk Security, Lucia East Commercial Corp., and Sta. Bowling alley Lucia East, Inc., Sta. Manila Jockey Club, Inc., Lucia Supermarket Corp., and Worlds of Fun, Inc. Also, sits as the President of the Royale Tagaytay Country Club and is a Director and Corporate Secretary of Rancho Palos Verdes in Davao.

Ms. Santos-Tan has been a member of the Club since 1994. She also currently holds the position of President of St. Mary's Estate Corporation and Chairman of MJC Investment Corp.

List of positions and offices held or will hold:

Vice President - Sales			
/ Corporate Secretary	-	Sta. Lucia Realty & Development Inc.	1976
Corporate Secretary	-	RS Maintenance & Service Corporation	1989
	-	Sta. Lucia East Cinema Corp.	1990
	-	RS Nighthawk Security & Investigation Agency	1992
	-	Sta. Lucia East Bowling Center Inc.	1993
	-	Sta. Lucia East Commercial	1993
	-	Sta. Lucia Supermarket Corp.	1996
	-	Worlds of Fun Inc.	1996
	-	Vistamar Beach and Resort Country Club	1996
President	-	St. Mary Estate Corp.	1985
Treasurer	-	Sta. Lucia Land	2007

JOSE S. GONZALES, *Independent Director*
Nominee for Independent Director

Directorship: Served as an Independent Director for The Orchard Golf and Country Club from 2019 to 2024 for a total of 5 years.

Type of Share: Individual Class A
No. of Shares: 1 – Record Owner

For the Last Five Years: Mr. Jose S. Gonzales Presently sits as the Chairman Emeritus of Orchard Senior Golfer's Association. He retired as a General Manager of Cannon Textile Inc., a multinational fully integrated textile operations- from Spinning to Garments in Egypt, UAE, India, Indonesia and Philippines. He was also a Lecturer at Development Academy of the Philippines, a charter member and Treasurer of the Productivity Improvement Circles Association of the Philippines.

Mr. Gonzales has been an active member of the Club since 1994. He was also 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.

List of positions and offices held or will hold:

General Manager	-	Cannon Textile	1980-2010
Finishing Mill Manager	-	Universal Tricot Mills	1975-1990
Supervising Engineer Trainee	-	Litton Mills Philippine	1970- 1975

JOSE ARTURO M. TUGADE, *Independent Director*
Nominee for Independent Director

Directorship: Independent Director for The Orchard Golf and Country Club from 2023 to 2024 for a total of 1 year.

Type of Share: Individual Class A
No. of Shares: 1 – Record Owner

Last Five Years: Atty. Jose Arturo M. Tugade founded and spearheaded the growth of fuel service in Luzon to become one of the Top 1000 Corporations in the Philippines. Also Direct operations of more than 100 fuel service stations nationwide. Cultivate optimum processes and inventory management systems for the distribution of fast-moving consumer goods (FMCG) in the Luzon region. Own and lead other businesses in food and franchise service; fuel service; agriculture; real estate and commercial leasing. Franchise operations include Shakey's, Wendys, Contis, 7-11, Family Mart. Responsible for introducing and growing the PTT brand of Thailand in Batangas. Homegrown brands include Pergas.

Atty. Tugade has been a member of the Club since 2011. He was the Assistant Secretary for the Land Transportation Office from November 17, 2022, until June 1, 2023. He is also a Director of Perry's Farms Inc. and founder of various companies like Perry's Fuel Distribution, Inc., Perpet Pilipinas Corp., Art Professional Construction Corp., Art Fresh Chicken Corp., JV Hauling & Trucking Corp and Premier Southern Petroleum Corp.

Atty. Tugade completed his Bachelor of Laws from San Beda University, Manila in 2010. He holds a degree in Business Management & Entrepreneurship and graduated valedictorian in 2003 from the same school.

List of positions and offices held or will hold:

Assistant Secretary	-	Land Transportation Office	2022 to 2023
Founder	-	Perry's Fuel Distribution Inc.,	2006 - Present
	-	Perpet Pilipinas Corp.,	2013 - Present
	-	Art Professional Construction Corp.,	2018 - Present
	-	Art Fresh Chicken Corp.,	2020 - Present
	-	JV Hauling & Trucking Corp.,	2020 - Present
	-	Premier Southern Petroleum Corp.	2019 - Present
Director	-	Perry's Farm	2005 - Present
	-	Harana Surf Inc., Siargao	2017 - Present
	-	Perry's Holdings Corporation	2009 - 2021
	-	APT Travels Inc.	2010 - 2020
	-	Collyer Shipping Inc.	2017 - 2020
	-	Solart Shipping Agencies Corp.	2016 - 2020
Director and Vice President	-	Trans-Global Consolidators Inc.	2005 - 2020
Founder and Chairman	-	Transglobal Trucking	2002 -2010

PHILIP L. GO, *Independent Director*
Nominee for Independent Director

Directorship: Independent Director for The Orchard Golf and Country Club from 2023 to 2024 for a total of 1 year.

Type of Share: Individual Class A
 No. of Shares: 1-Record Owner

For the Last Five Years: Mr. Philip L. Go is the Chairman of Builders 2000, Inc. a company involved in both horizontal and vertical condominium developments and hotel industry. Currently, the President of Specificque Garment Manufacturing Inc. Specificque Garment is the manufacturer of the popular Le Tigre sports apparel garments. Also, holds various leadership positions in companies such as Luxe Asia Properties, Inc. and Elevator Specialista Inc.

Mr. Go has been a member of the Club since 1994 and also held positions in homeowner associations such as Monterazzas, Le Mirage de Malate, Pacific Coast Residences and Shaw Residenza.

Mr. Go holds a degree in B.S. Mechanical Engineering from the University of Santo Tomas.

List of positions and held or will hold:

Chairman	-	Builders 2000	1985 to present
President	-	Specificque Garment	
Independent Director	-	The Orchard Golf and Country Club	2023 up to present.

ALFREDO ESPINO
Nominee for Independent Director

Type of Share: Individual Class A
 No. of Shares: 1-Record Owner

For the Last Five Years: Mr. Alfredo Espino is a consulting partner in Technology Expertise and Innovations, Incorporated (TEXIN, Inc.), a fast growing state of the art technological provider that caters technology applications for water industry. The company aims to provide clients with the best water treatment technology available with the most efficient, cost-effective, and environmentally friendly solutions in the Philippine market. He handled all water supply projects of the company, provide technical expertise on existing and proposed bulk water projects. Assist in the marketing strategies of all water treatment equipment of the company. Provide assistance to the President on a day-to-day basis.

Mr. Espino is a graduate of Mapua Institute of Technology with a degree of Bachelor of Science in Civil Engineering and has a degree from the International Institute for Hydraulics & Environmental Engineering in the Netherlands.

List of positions and held or will hold:

Consulting Partner	-	Texin Incorporated	2012 - Present
Executive Vice President	-	LWUA Consult Inc.	2009-2011
Area Manager for Operations	-	LWUA	1992-2003
Board Member	-	Metro Iloilo Water District	Apr-Sep 2009
	-	San Jose del Monte Water District	1995 - 1997
	-	Obando Water District	1995 - 1997
	-	Koronadal City Water District	2007-2009
	-	Jolo Water District	2007- 2009
	-	Gapan Water District	1998-2001
	-	Camarines Norte Water District	1991-1997
	Project Manager	-	Local Water Utilities Administration
Manager, Planning Department	-	Local Water Utilities Administration	1981 - 1984
Sanitary Engineer	-	MWSS	1973 -1974

CELESTIN L. KO

Nominee for Independent Director

Type of Share: Individual Class A

No. of Shares: 1-Record Owner

For the Last Five Years: Mr. Celestin L. Ko is the President and Marketing Director of Iconic Manpower Solutions Corp., a landbased POEA DMW licensed agency specializing in the deployment of professionals and blue collar workers, niche specialty in the provision of oil refinery workers and power plant workers. Particularly, in the maintenance department static or rotating equipments. He was also a director of TURBOTECH Mechanical Services and Consultancy Corporation, a Philippine Company registered with SEC 2019, specializing in Oil Refinery/ power plant Maintenance, Repair and refurbishment of Steam/ Gas Turbines, Main Air Compressors ICO.

Mr. Ko is a graduate of Centro Escolar University.

List of positions and held or will hold:

Vice President and Marketing Director	-	Jai Kin Manpower Resources Corp. POEA Licensed Manpower Agency	2006-2014
Director	-	TURBOTECH Mechanical Services and	

		Consultancy Corporation	2019 to 2023
President and Marketing Director	-	Iconic Manpower Resources Solutions Corp. POEA DMW Licensed Manpower Agency	2017 to Present f

JOSE C. LALISAN JR.
Nominee for Independent Director

Type of Share: Individual Class A
No. of Shares: 1-Record Owner

For the Last Five Years: Mr. Jose C. Lalisán held various positions in the military since 1971. His most recent position was as Director at the Directorate for Personnel and Records Management of the Philippine National Police. Currently, he is the Executive Security Consultant for EEI, a Corporation recognized as one of the leading construction companies in the Philippines, whose primary role is to provide security advisories to the management of their two fabrication yards in Bauan, Batangas aside from the assigned special projects of EEI.

Mr. Lalisán Jr. is a graduate of the Philippine Military Academy in Baguio and has a Master in National Security Administration from Fort Bonifacio.

List of positions and held or will hold:

Officer	-	Armed Forces of the Philippines Philippine National Police	1971 - 2023
Trustee	-	PMA Educational and Trust Foundation Inc.	2017 - 2021
Trustee	-	PMA Foundation, Inc.	2023 - Present
Executive Security Consultant	-	EEI	2014 – Present

Retired Director (Director for Personnel and Records Management of Philippine National Police)

JULIO FELINO M. MANALO
Nominee for Independent Director

Type of Share: Individual Class A
No. of Shares: 1-Record Owner

For the last Five Years: Mr. Julio Felino M. Manalo was previously affiliated with Philippine Airlines, and retired last January 2024. He was the Captain for Airbus Narrow Body A321 for Philippine Airlines. He was also a Corporate Secretary for Maple Realty and Development Corporation, a holding company for properties of the Ledesma- Mapa family.

Mr. Manalo graduated with a degree of BS Architecture from the University of the Philippines, Diliman.

List of positions and held or will hold:

Philippine Airlines	-	Line Captain Airbus A320	2013 to 2024
Maple Realty and Development Corporation	-	Director and Corporate Secretary	2020 to present

RENATO RAMOS

Nominee for Independent Director

Type of Share: Individual Class A

No. of Shares: 1-Record Owner

For the Last Five Years: Mr. Renato Ramos has expertise is in the field of international marketing services, with over 20 years experience. He successfully setup two start up international marketing companies – Marketing Solutions Ltd in 2010 and International DM Services in 2017, with the position of Managing Director. He also served as the General Manager of Mailing Lists Asia, heading its Philippine operations for almost 10 years.

Mr. Ramos is a BA Journalism graduate from the University of the Philippines, Diliman and the managing director of International DM Services Ltd.

List of positions and held or will hold:

Managing Director	-	International DM Services Ltd.	2017- Present
List Manager	-	MLA (Mailing Lists Asia	1999-2000
General Manager	-		2000-2010
Program Manager and Conference Director	-	Team Asia	1995-1999

WILBERT T. YOUNG

Nominee for Independent Director

Type of Share: Corporate Class C

No. of Shares: 1

For the Last Five Years: Mr. Wilbert T. Young is the founder and General Manager (GM) of Dimax Food Wholesaling, a leading food service distributor in Metro Manila. It carries as a wide range of food related products; from condiments, cheese, pasta, confectionary / baking supplies to canned and frozen items. It has become a preferred supplier of restaurants, hotels, canteens and other food service operations. It was established in 1997, has 100 employees serving 1,500 diverse food service institutions in Metro Manila. Further, he is also the founder and GM of NOR Distribution Enterprise, the official retail distributor- partner of Monde Nissin Corporation appointed in 2006. It covers the trade areas of Manila, Quezon City, Mandaluyong and San Juan.

Mr. Young is a graduate of National College of Business Administration with a degree in Business Administration-Accounting.

List of positions and held or will hold:

Founder and General Manager	-	Dimax Food Wholesaling	1997 to Present
Founder and General Manager	-	NOR Distribution Enterprise	2006 to Present
Asst. Comptroller	-	Pepsi Cola Far East Trade Development Company	1985 to 1997

RAUL R. CORRO

Nominee for Independent Director

Type of Share: Individual Class A
No. of Shares: 1-Record Owner

For the Last Five Years: Atty. Raul R. Corro is a lawyer by profession, a public servant, and the consistent No. 1 Councilor of the City of Muntinlupa, Metro Manila. He is Consultant of the Divina Law Office since its establishment in 2006 and is now one of the biggest law firms in the country. A dedicated public servant who has been in public service for 30 years now. He has held many positions in the government. He is currently the National Chairman of the Philippine Councilors League (PCL), the national organization of all councilors; National Board Member of the Union of Local Authorities of the Philippines (ULAP), the umbrella organization of all local leagues in the country. He is also Vice President for Legal Affairs of KS Form Phils. Corp., Corporate Secretary of Matt Plaza Corp. and Yong Moon Corp. He was former Professor of Law, Legal Management, Journalism and Communication Arts at the Faculty of Civil Law and the Faculty of Arts and Letters of the University of Santo Tomas. He was a former editor and newspaper reporter prior to becoming a lawyer in 1990.

Atty. Corro has been a member of Orchard since 2006. He has served as the President of the Orchard Senior Golfers Association, Inc. (OSGAI) since 2022 and was re-elected as a member of the Board of Trustees of OSGAI in May 2024.

He earned an AB in Journalism at the University of Santo Tomas and obtained his Bachelor of Laws at the same institution. He holds a Master's in Public Management from the Ateneo de Manila School of Government and a Master's in Development Management and Governance from the University of Makati. He attained two Doctorates in Public Administration, the first was conferred by the Lyceum of the Philippines University, and the second by the PCL Legislative Academy in partnership with Lyceum Northwestern University.

List of positions held or will hold:

Consultant	-	Divina Law Office	2006 to present
City Councilor	-	City Government of Muntinlupa	1998 to 2007; 2010-2016; and 2019-present
National Chairman	-	Philippine Councilors League	2023-present
Attorney and Public Information Officer	-	City Government of Muntinlupa	1990-1998

ALFREDO C. LIM
Nominee for Independent Director

Type of Share: Individual Class A
No. of Shares: 1-Record Owner

For the Last Five Years: Atty. Alfredo Lim was the former President & COO of Philippine Amusement and Gaming Corporation since 2016. Currently, he practices law as a Managing Partner at Chaves Hechanova & Lim Law Offices. He also served as the Chairman of PHPC CO. LTD. Inc., Philippine Office. A member of KanDenKo Group with its principal headquarters located in Tokyo, Japan. Considered to be one of the leading electro-mechanical contractors in the Philippines, PHPC has been in active operation since 1991. As an integrated engineering company, clients are offered with a full range of services from conceptual designs to turnkey projects. The company strictly conforms its

operations on an Integrated Management System for Quality, Environment Safety and Health (QESH), duly certified by TUV Rheinland.

Atty. Lim has been a member of the Club since 1994. He is a member of the Integrated Bar of the Philippines and the Asean Law Association. He is also the Founding President of San Beda Law Golf, Inc. and a founding trustee of the Asean Law Golf Club.

Atty. Lim earned the degree of AB in Political Science from Ateneo de Naga Colleges and obtained his Bachelor of Laws degree at San Beda College of Law.

List of positions held or will hold:

Managing Partner	-	Chaves Hechanova & Lim Law Office	1980-2016
Chairman	-	PHPC Lo., Ltd. Inc.	2005-2024
President & COO	-	PAGCOR	2016-2022

CHONGYUN PARK

Nominee for Independent Director

Type of Share: Individual Class A

No. of Shares: 1-Record Owner

For the Last Five Years: Chong Hyun Park is a retired Chairman and CEO of Oslo Venture Corporation Manila in 2016. He has served as an executive for various International Banks in the country and Abroad. He was the Executive Vice President in Korea, and Head of Operations in Japan from the period of 1988 until 2004. Before that, he was the President & CEO of Kuje International London, UK in 1978 – 1982 and was transferred as the Head of Asian Group Singapore of Kuje Group in 1982 to 1987.

Mr. Park has been a member of the Club since 2009. He earned a B.A. in Economics from Seoul National University. He furthered his education in the United States, obtaining an M.A. in Economics from Boston University.

List of positions held or will hold:

Kuje International London, UK	-	President & CEO	1978-1982
Kuje Group	-	Head, Asian Group Singapore	1982-1987
Tong Yang Group in Korea	-	Executive Vice President	1988 - 1991
Tong Yang Group in Tokyo	-	Head, Japan Operations	1992 - 1995
Tong Yang Group & Orion Savings Bank - Manila	-	Asean Head Chairman	1995 - 2004
Oslo Venture Corporation Manila	-	Chairman & CEO	2004 - 2016

JOSE ERNILO P. FAMY, *General Manager & 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., Leslie Corporation, and the MB Villar Group of Companies. He is also a member of the Philippine Institute of Certified Public Accountants (PICPA) and the Institute of Internal Auditors – Philippines (IIA-P).

IRENE G. PATRICIO, *Finance Manager & 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).

CHILES MEGAN M. AREÑO, *Assistant Compliance Officer/Second Assistant Corporate Secretary*

Atty. Chiles Megan M. Areño is a graduate of San Beda College Alabang, School of Law. She is currently a junior partner at Lu Mamangun Juco & Alamis and has been in the practice of law for four (4) years. She was admitted to the Philippine Bar in 2020.

Nomination and Election Procedures

The Club's By-Laws provides for the following procedure in the nomination and election of directors.

"Article VIII ELECTION OF DIRECTORS

Section 1. Election Committee. The Election Committee shall be composed of five (5) members. The Chairman and Vice-Chairman of the Election Committee shall be appointed by the Board of Directors forty-five (45) days prior to the date of election from among the Regular Members of the Club in good standing, as defined in Article II, Section 3 hereof. The Chairman and Vice Chairman shall appoint three (3) members from among the Regular Members in good standing within ten (10) days from their appointment. The Election Committee shall oversee the conduct of the election of directors; rule on the validity and appreciation of proxies; and act in all matters that will ensure the orderly conduct of the election except those functions pertaining to the Nomination Committee. To ensure the independence of the Election Committee, its Chairman, Vice-Chairman, and members shall not be eligible for nomination to the Board of Directors. (As amended on 29 March 2021)

Section 2. Qualifications of Candidates. A candidate for Director must own at least one (1) share of the capital stock of the Club, which share shall stand in his name in the books of the Club and must be a Regular Member of the Club in good standing. In the case of a Corporate Nominee of a juridical entity, such juridical entity must own in its own right at least one (1) share of the capital stock of the Club, which share shall stand in its name in the books of the Club. Corporate Assignees shall in no case be elected to the Board of Directors. (As amended on 29 March 2021)

Section 3. Nomination. The Nomination Committee shall call for and accept nominations in writing from Regular Members of the Club and prescreen the qualifications of all nominated candidates. At no instance may a Regular Member nominate himself for director. The official list of candidates shall be finalized by the Nomination Committee and posted at the Clubhouse Bulletin Board at least thirty (30) days prior to the date of the annual meeting. Such list shall likewise be

attached to the Notice of the Annual Meeting to be sent to all shareholders. (As amended on 29 March 2021)

Section 4. Right to Vote. Each registered owner of a share of stock, whether a natural person or juridical entity, who is of good standing and non-delinquent in the payment of his/its dues, shall have the right to vote in person or by proxy the number of shares standing in his/its name. (As amended on 29 March 2021)

Section 5. Election Procedure

- (a) Preparation of Official Ballot. The Election Committee shall order the printing or mimeographing of as many official ballots as there are outstanding certificates of ownership. The official ballots shall contain, in alphabetical order, the names of the candidates who have accepted their nomination in accordance with Section 3 hereof. The said ballots shall be numbered consecutively and given to each Regular Member in good standing upon registration prior to the meeting.
- (b) Manner of Voting. The members of the Board of Directors shall be elected by secret ballot. Each member authorized to vote, whether present or in absentia, shall cast his vote by placing an (x) and affixing his signature opposite the name of each candidate he wishes to vote for and shall place his ballot inside a sealed envelope prior to the casting of the same by delivering it to the Club Secretary or dropping it in a ballot box prescribed for the purpose.
- (c) Election Inspectors. The Chairman of the meeting may, at his option, at each annual meeting, appoint two (2) persons to act as inspectors of election at said meeting of members any annual or special meeting of the shareholders of the Club.
- (d) Canvassing. Upon the closing of the meeting, the Election Committee shall immediately convene to canvass the election returns. Any protest regarding the conduct of the elections must be made before the start of the canvass. Any protest connected with the canvassing must be made before the proclamation of the winning candidates. Protests may be verbal but must be recorded by the Election Committee, which must forthwith make a ruling. The seven (7) candidates with the most number of votes shall be declared elected. In case of a tie, the Election Committee shall break the tie by a drawing of lots.
- (e) Organizational Meeting. As soon as possible after the seven (7) members of the Board of Directors have been proclaimed, the new Board of Directors shall hold their organizational meeting to elect the executive officers of the Club. (As amended on 29 March 2021)."

The procedures for the nomination and election of directors, including the independent directors, are in accordance with the procedures outlined in SRC Rule 38.

Nominees for Directors

The following individuals have been nominated to the Board of Directors:

<i>Nominee</i>	<i>Nominated By</i>	<i>Relationship</i>
Benitez, Tomas Julio A.	Tuason, Jose A.	Mr. Tuason is not related to Mr. Benitez.
Corro, Raul R.	Carreon, Juan Ramon	Mr. Carreon is not related to Mr. Corro.
Cua Loping, Henry T.	Montallana, Francis C.	Mr. Montallana is not related to Mr. Cua Loping.
Espino, Alfredo B.	Go, Philip L.	Mr. Go is not related to Mr. Espino.
Go, Philip L.	Manalo, Jose Felino	Mr. Manalo is not related to Mr. Go.
Gonzales, Jose S.	Calica, Dan	Mr. Calica is not related to Mr. Gonzales.
Ko, Celestin L.	Manalo, Jose Felino	Mr. Manalo is not related to Mr. Ko.
Lalisan Jr., Jose C.	Young, Wilbert	Mr. Young is not related to Mr. Lalisan Jr.
Lim, Alfredo C.	Balayan, Melanio Elvis	Mr. Balayan is not related to Mr. Lim.
Manalo, Julio Felino M.	Espino, Alfredo	Mr. Espino is not related to Mr. Manalo.
Park, Chonghyun	Lalisan, Jose C.	Mr. Lalisan is not related to Mr. Park.
Ramos, Renato	Go, Philip L.	Mr. Go is not related to Mr. Ramos.
Robles, Exequiel D.	Dela Cruz, David	Mr. Dela Cruz is not related to Mr. Robles.
Santos, Vicente R.	Celemente III, Tomas	Mr. Clemente III is not related to Mr. Santos
Tan, Mariza S.	Dela Cruz, David	Mr. Dela Cruz is not related to Ms. Tan
Tugade, Jose Arturo M.	Arceo Jr., Edgar Joselito	Mr. Arceo is not related to Mr. Tugade.
Young, Wilbert T.	Go, Philip L.	Mr. Go is not related to Mr. Young.

Nomination Committee

The Nomination Committee is tasked to, among others, verify the qualifications of the nominees for directors. The members of the Nomination Committee are the following:

Chairman: Mr. Jose Arturo M. Tugade
 Mr. Vice-Chairman: Mr. Jose S. Gonzales
 Member: Mr. Exequiel D. Robles
 Member: Mr. Philip L. Go
 Member: Mr. Henry Cua Loping

Election Committee

The Election Committee shall, among others, oversee the conduct of election of directors and act on all matters relating to the said election. The members of the Election Committee are the following:

Chairman: Atty. Elpidio C. Jamora, Jr.
Vice-Chairman: Atty. Melvin Mendoza
Member: Atty. Dennis Dimaguiba
Member: Mr. Arnold Liganor
Member: Atty. Leleen Lamorana-Bunyi

Audit Committee

The members of the Audit Committee are the following:

Chairman: Mr. Jose S. Gonzales
Vice-Chairman: Atty. Jose P. Crisostomo, Jr.
Member: Ms. Maria Lourdes Valero

Significant Employee

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

Family Relationships

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

Involvement of Directors and Officers in Certain 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.

- Philip L. Go, Julio Felino Manalo, Roel R. Rafael, Jose C. Lalisan, Jr., Guilbert Purcia, Sr., Jose Maria Cajucum 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.

The trial court issued a Decision dated 6 January 2023 declaring the Subject Resolution void and directing the parties mentioned in the said resolution to pay their membership dues retroactively.

The respondents, including the Club, filed a Petition for Review dated 2 February 2023 with the Court of Appeals, seeking the reversal of the trial court's Decision dated 6 January 2023.

In a Decision dated 30 May 2023, the Court of Appeals reversed and set aside the trial court's decision and upheld the validity of the Subject Resolution on the ground, among others, that the Complaint is barred by *res judicata* on account of the Securities and Exchange Commission's Decision dated 20 September 2000 in SEC Case No. 08-98-6056, entitled "Hector Moreno, Jr. v. Sta. Lucia Realty & Development, Inc., et. al."

The dispositive portion of the Court of Appeals' Decision dated 30 May 2023 reads:

"WHEREFORE, premises considered, the instant Petition is GRANTED, The Decision dated 6 January 2023 of the Regional Trial Court, Branch 21, Imus, Cavite, in Civil Case No. 7080-20 is REVERSED AND SET ASIDE.

SO ORDERED."

The plaintiffs then moved for the reconsideration of the aforementioned decision. However, in a Resolution dated 24 August 2023, the Court of Appeals denied the motion for reconsideration.

Only one of the plaintiffs, Mr. Philip L. Go, filed a Petition for Certiorari with Urgent Prayer for Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction (the "Petition") with the Supreme Court on 13 October 2023, claiming that the Court of Appeals committed grave abuse of discretion amounting to lack or excess of jurisdiction when it issued its Decision dated 30 May 2023. The petition has been docketed as G.R. No. 269601.

Status:

On 12 March 2024, the Club received a copy of the Supreme Resolution dated 29 January 2024, directing it to file a comment to Mr. Go's petition within ten (10) days from receipt thereof. Thus, on 22 March 2024, the Club, together with its co-respondents, filed their comment to the petition.

- 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. 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.

On 19 April 2023, the trial court issued a Decision, the dispositive portion of which states:

“WHEREFORE, in view of the foregoing disquisitions, judgment is rendered dismissing the instant petition as well as the respective counterclaims of the respondents and the intervenor.”

On 1 June 2023, the plaintiffs filed a Notice of Appeal with the trial court informing the latter of their intention to appeal the Decision dated 19 April 2023 to the Court of Appeals.

Status:

The respondents have yet to receive an order from the Court of Appeals to file a comment to the plaintiffs' appeal. As of the present, the case is pending completion wherein the documents submitted by the trial court to the Court of Appeals are being verified on whether or not they are complete.

- The Orchard Golf & Country Club, Inc. v. Corporate Governance and Finance Department, represented by Director Rachel Esther Gumtang-Remalante
(SEC En Banc Case No. 11-23-531, Securities and Exchange Commission en banc)

Claims:

On 2 March 2021, the Club received a Show Cause Letter dated 30 October 2020 issued by the Corporate Governance and Finance Department (“CGFD”) of the Securities and Exchange Commission in connection with the supposed late filing of its 2019 Annual Report or SEC Form 17-A (the “Annual Report”). The Show Cause Letter directed the Club to show cause within ten (10) days from receipt thereof why it should not be held liable for violation of the Securities Regulation Code due to the supposed late filing of the said report.

Thus, on 11 March 2021, the Club responded to the Show Cause Letter through a letter of even date. On 24 August 2021, the Club received the CGFD’s Assessment for Late Filing of the Annual Report dated 12 March 2021 (the “Assessment Letter”). Consequently, on 27 August 2021, the appellant filed a Motion for Reconsideration dated 26 August 2021 seeking the reconsideration of the assessment.

Thereafter, on 3 November 2023, the Club received the CGFD’s Order dated 25 October 2023 (the “CGFD Order”) directing the Club to pay a total assessed penalty of PhP 96,960.00 within ten (10) days from receipt of the same. On 20 November 2023, the Club filed an Appeal Memorandum of even date with the SEC en banc seeking the review and reversal of the CGFD Order or, in the alternative, should the SEC find the Club liable, the penalty to be imposed be further reduced to the amount of PhP 1,000.00 for each day of delay until its actual filing of the Annual Report, in the total amount of PhP 3,000.00.

Status:

On 5 February 2024, the Office of the General Counsel of the SEC issued an Order directing the CGFD to file its Comment to the Club’s Appeal Memorandum within a period of fifteen (15) days from receipt thereof.

On 19 February 2024, the CGFD filed a Motion for Extension of Time to File Comment on Appeal Memorandum (the “Motion”). Thereafter, on 1 March 2024, the Club received the SEC’s Order dated 29 February 2024 directing the Club to file its comment to the CGFD’s Motion. On the same date, the Club received the CGFD’s Comment to the Appeal Memorandum dated 29 February 2024 (the “Comment”).

Thus, on 5 March 2024, the Club filed a Compliance and Manifestation of even date informing the SEC that it posed no objection to the CGFD’s Motion and that the filing of a comment to the Motion has been rendered moot and academic due to the Club’s receipt of the CGFD’s Comment on the same day.

As of the present, the SEC has yet to resolve the Motion and rule on the Club’s appeal.

(B) 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	2023	Noninterest-bearing; on demand and unsecured	P 7,878,907	P 672,804.00
	2022		11,008,191.00	-
	2021		3,043,433.00	89,890.00
ADY Printing Press	2023	Noninterest-bearing; on demand and unsecured	535,268.00	-
	2022		540,179.00	-
	2021		309,375.00	58,929.00
BNG Transmedia Services	2023	Noninterest-bearing; on demand and unsecured	311,241.00	42,900.00
	2022		271,700.00	-
	2021		194,700.00	42,900.00
Omnisource International Trading	2023	Noninterest-bearing; on demand and unsecured	191,893.00	-
	2022		207,873.00	207,873.00
	2021		-	-
Sanitary Care Products Asia	2023	Noninterest-bearing; on demand and unsecured	43,436.00	-
	2022		30,729.00	-
	2021		6,251.00	-
Szolare Company Inc.	2023	Noninterest-bearing; on demand and unsecured	29,360.00	5,872.00
	2022		11,298.00	7,829.00
	2021		26,164.00	-

<i>Members</i>			<i>Purchases of Operating Supplies, Equipment and Services</i>	<i>Amounts Owed by the Club</i>
E.V.Y. Construction Development Cor.	2023	Noninterest-bearing; on demand and unsecured	648,888.00	38,396.00
	2022		-	-
	2021		-	-
C-Mon Trading	2023	Noninterest-bearing; on demand and unsecured	21,803.00	-
	2022		58,969.00	10,902.00
	2021		12,388.00	-
Value Metrics, Inc.	2023	Noninterest-bearing; on demand and unsecured	-	-
	2022		76,800.00	-
	2021		-	-
Gutzvia Enterprise	2023	Noninterest-bearing; on demand and unsecured	64,090.00	-
	2022		62,808.00	-
	2021		-	-
Totals	2023		9,724,886.00	759,972.00
	2022		12,268,547.00	226,604.00
	2021		3,592,311.00	191,719.00

(C) Disagreements

No Director has resigned or declined to stand for re-election because of any disagreement with the Board of Directors or Management.

Item 6. Compensation of Directors and Executive Officers

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 2021, 2022, 2023 and 2024 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	2021	None	None	None
	2022	None	None	None
	2023	None	None	None
	2024*	None	None	None
President and all other four Key Management Personnel as a group unnamed	2021	6,793,321	1,113,950	None
	2022	7,212,663	1,355,954	None
	2023	7,987,214	1,554,031	None
	2024*	8,835,942	1,537,024	None

Name & Principal Position	Year	Salary (PhP)	Bonus (PhP)	Other Annual Compensation
Chairman of the Board and all other six members of the Board as a group unnamed	2021	None	None	None
	2022	None	None	None
	2023	None	None	None
	2024*	None	None	None
President and all other four Key Management Personnel as a group unnamed	2021	6,793,321	1,113,950	None
	2022	7,212,663	1,355,954	None
	2023	7,987,214	1,554,031	None
	2024*	8,835,942	1,537,024	None

*The 2024 figures comprise actual amounts from January to May and estimates from June 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 7. Independent Public Accountants

During the 2023 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 2022 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 audit of the Club's accounts for the year 2023. Accordingly, the 2023 Audited Financial Statement was signed by Mr. Dennis M. Malco.

Audit and Audit-Related Fees

The following are the aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by the external auditor for the audit of the Club's annual financial statements and services that are normally provided by the external auditor in connection with statutory filings or engagements:

Year	External Auditor	Fees
2023	Isla Lipana & Co. (PWC)	PhP 343,835.85
2022	Isla Lipana & Co. (PWC)	PhP 359,782.00

Tax Fees

The following fees were billed by the external auditor in connection with the 2018 Tax Health Check services:

2019	Sycip Gorres Velayo & Co.	PhP 330,000.00
------	---------------------------	----------------

All Other Fees

No fees were billed during the last two fiscal years for products and services of the external auditor, other than the services reported under items "Audit and Audit-Related Fees" and "Tax Fees" above.

Item 8. Compensation Plans

There is no action to be taken with respect to any plan to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

There is no action to be taken with respect to the authorization or issuance of any securities otherwise than for exchange of outstanding securities of the registrant.

Item 10. Modification or Exchange of Securities

There is no action to be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization of one class of securities of the registrant in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

Financial Statements

The Audited Financial Statements of the Club for the year ending 31 December 2023 (Annex "A" hereof), which has been included in the Club's 2024 Annual Report, shall be distributed to the shareholders together with this Information Statement. The Interim Financial Statements (17-Q) of the Club for the Quarters Ended 31 March 2024 is also attached hereto as Annex "B." Further, the Interim Financial Statements of the Club as of 30 June 2024 is attached hereto as Annex "T."

Management's Discussion and Analysis and Plan of Operation

The Management Report is separately presented in Annex "C" hereof.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

During the 2023 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 2022 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 audit of the Club's accounts for the year 2023. Accordingly, the 2023 Audited Financial Statement was signed by Mr. Dennis M. Malco.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no action to be taken with respect to merger, consolidation, or acquisition.

Item 13. Acquisition or Disposition of Property

There is no action to be taken with respect to acquisition or disposal of property.

Item 14. Restatement of Accounts

There is no action to be taken with respect to the restatement of any asset, capital, or surplus account of the Club.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following items are included in the Agenda for the Annual Shareholders' Meeting for the approval of the shareholders:

- Proof of the required notice of the meeting or waiver of such notice;
- Proof of the presence/absence of a quorum;
- Appointment of inspectors of election to serve until close of the meeting;
- Reading and approval of the minutes of the last meeting;
- Report of the President;
- Election of Directors;
- Unfinished Business;
- Appointment of External Auditors;
- Approval of Acts of Management;
- Other Matters; and
- Adjournment

A summary of matters taken up during the Annual Shareholders' Meeting held on 14 October 2023, and all acts and resolutions of management for ratification by shareholders is provided in Annex "D" hereof.

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

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

There are no proposed amendments to the Charter, By-laws or Other Documents of the Club.

Item 18. Other Proposed Action

Other than the approval of the Minutes of the Meeting of the Annual Shareholders' Meeting held on 14 October 2023 and the ratification of all acts of Management, there is no other action to be taken with respect to any matter not specifically referred to above.

Item 19. Voting Procedures

Voting Requirement

(a) For the Election of Directors

Pursuant to Section 23 of the Revised Corporation Code, candidates receiving the highest number of votes shall be declared elected.

(b) For the Election of External Auditors

The nominee receiving the highest number of votes shall be declared as elected.

(c) For the Approval and Ratification of all Acts of Management

A majority vote of the shareholders present or represented at the 2024 Annual Shareholders' Meeting shall carry the vote.

Voting Method

Shareholders who have successfully registered may participate in the Annual Shareholders' Meeting in person or through remote communication via Zoom and shall be notified via email of their log-in details. The registered shareholders or their proxies may vote in person, remotely or *in absentia*.

Shareholders may register from 8 A.M. on 9 October 2024 until 5:00 P.M. of 11 October 2024.

Shareholders may vote in person or through remote communication or in absentia as soon as they have successfully registered and have received the official ballot, and until 10:30 A.M. on 12 October 2024, the day of the meeting. The ballots shall be opened only upon the closing of the meeting and the Election Committee shall immediately convene to canvass the election returns.

Voting may be done through email at orchardasme2024@gmail.com:

- (a) Upon receipt of the official ballot via email, the shareholder may vote on each item on the agenda by printing out a copy of the official ballot and manually checking and answering the same.
- (b) The shareholder has the option to vote "Approved," "Disapproved," or "Abstain" on each agenda item for approval.
- (c) There shall be seven (7) seats on the Board of Directors, and each official ballot shall be entitled to seven (7) votes. The shareholder shall have the option of cumulating his votes in favor of the candidate or candidates he has chosen.
- (d) Once the shareholder has finalized his vote, he may submit the official ballot by sending the same in JPG or PDF format to orchardasme2024@gmail.com no later than 10:30 A.M. on 12 October 2024. Any votes sent and/or received thereafter shall not be counted.
- (e) Shareholders may only vote once.

Internal Procedures

The Board of Directors of the Club has adopted a resolution to allow shareholders to participate in the 2024 Annual Shareholders Meeting via hybrid format and exercise the right to vote *in absentia* in accordance with the Revised Corporation Code and SEC Memorandum Circular No. 6, series of 2020 ("M.C. No. 6"). The "Guidelines for Participating via Remote Communication and Voting in Absentia" is hereto attached as Annex "S".

Pursuant to Section 13 of M.C. No. 6, specifically the requirement to adopt a mechanism to enable all shareholders to vote during the date of the meeting, the Club has enabled shareholders to vote as soon as they have successfully registered for the ASM and upon receipt of the official ballot, but no later than 10:30 am on 12 October 2024. Through this mechanism, the Club shall have sufficient time to canvass and count the votes and avoid prolonging the ASM.

Notice of Meeting

The Notice of the 2024 Annual Shareholders' Meeting shall state:

**"The Orchard Golf & Country Club, Inc.
NOTICE OF THE ANNUAL SHAREHOLDERS' MEETING OF 2024**

To All Members-Shareholders:

The 2024 Annual Shareholders' Meeting and Election of Directors ("ASME") will be held through a hybrid format which would be **in person and via remote communication through Zoom at 10:00 A.M. on 12 October 2024.**

The following agenda shall be taken up in the meeting:

1. Proof of the required notice of the meeting or waiver of such notice;
2. Proof of the presence of a quorum;
3. Appointment of Inspectors of Election to serve until the close of the meeting;
4. Reading and approval of the minutes of the last meeting;
5. Report of the President;
6. Election of Directors;
7. Unfinished business;
8. Appointment of External Auditors;
9. Approval of Acts of Management;
10. Other matters; and
11. Adjournment.

Your attendance and participation in the meeting is encouraged. **The Registration Period for participation via remote communication run for three (3) days from 8:00 A.M. on 9 October 2024 to 5:00 P.M. on 11 October 2024.**

Shareholders must notify the Corporate Secretary through the Secretariat of their intention to participate in the ASM via remote communication, and to exercise their right to vote *in absentia* by no later than 5:00 P.M. of 11 October 2024, by sending the documentary requirements addressed to the Secretariat via:

- (a) Email to orchardasme2024@gmail.com;
- (b) Special courier to Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite;
- (c) Viber through 0917 883 4749 and

(d) Facebook Messenger through direct message Orchard ASME 2024.

In the event that you will be unable to attend the meeting, kindly submit a duly accomplished proxy form, a copy of which is enclosed. Please be advised that all proxies must be submitted to the Club on or before **5 P.M. on 8 October 2024**. Proxies may be submitted physically to the Secretariat, or by email with subject "Proxy – Name of the Shareholder and Name of the Proxy". The proxy form shall contain the wet or manual signature of the shareholder.

Address: The Orchard Election Committee
c/o The Membership Office
The Orchard Golf & Country Club
Km.27 Aguinaldo Highway, Salawag,
Dasmariñas City, Cavite

Email: billingtheorchard@gmail.com; or
orchardasme2024@gmail.com

Proxy validation shall be held on 10 October 2024.

The Official Ballot will be given to each regular member in good standing upon registration prior to the meeting. Only Official Ballots issued by the Club shall be recognized.

Shareholders may vote in person, through remote communication or in *absentia* as soon as they have successfully registered and have received the official ballot, and until **10:30 A.M. on 12 October 2024**, the day of the meeting. Any votes sent and/or received thereafter shall not be counted.

Copies of the Club's Financial Statements and By-laws are available upon request at the Membership Office. Guidelines for registration, participation via remote communication and voting in *absentia*, submission of proxies, and other information regarding the 2024 ASM are available at www.theorchardgolf.com/2024asme.

Thank you.

CHILES MEGAN AREÑO
Second Asst. Corporate Secretary

A signed copy of the Notice of the Annual Shareholders' Meeting of the Club for the 12 October 2024 Annual Shareholders' Meeting is hereto attached as Annex "E" hereof.

PART II.

INFORMATION REQUIRED IN A PROXY FORM

This Form is prepared in accordance with paragraph (5) of SRC Rule 20, as amended.

Item 1. Identification

The proxy form shall contain the following information:

"The Orchard Golf & Country Club, Inc.

2024 PROXY FORM

This solicitation is being made by The Orchard Golf & Country Club, Inc. (the "Club"), and this proxy will serve to nominate, constitute and appoint:

The Chairman of the Board of Directors of the Club, or in his absence
The President of the Club, or in his absence
The Corporate Secretary.

as my attorney and proxy, to represent me at the Annual Shareholders' Meeting of the Club scheduled on **12 October 2024 at 10 o'clock in the morning** in person or via Zoom Webinar, and at any adjournments or postponements thereof, and to vote my share(s) as fully and for all intents and purposes as I might or could have if present and voting in person.

This proxy will be voted in the manner as directed herein. If no direction is made, this proxy will be voted for the **approval of the matters in Items 3 & 7 below**, and for my attorney-in-fact and proxy to use his **discretion for Items 4, 5, and 6**.

1. Claim the Notice of Annual Shareholders' Meeting, the Official Ballot and other election materials and other relevant documents from the Club.
2. Register attendance on my behalf for quorum purposes.
3. Approval of the Minutes of the 2023 Shareholders' Meeting:
 Approved Disapproved Abstain
4. Election of External Auditors
 Alas, Oplas & Co., CPAs Sycip Gorres Velayo & Co. (SGV & Co.)
 Isla Lipana & Co. Abstain from voting
 R.G. Manabat & Co. (KPMG) Nominate and vote for: _____.
5. Election of Directors:

To vote for the following candidates in his discretion / according to the authority hereby given and to sign and cast the Official Ballot for and in my behalf.

- | | |
|--|---|
| <input type="checkbox"/> Tomas Julio A. Benitez | <input type="checkbox"/> Vicente R. Santos |
| <input type="checkbox"/> Henry Cua Loping | <input type="checkbox"/> Mariza S. Tan |
| <input type="checkbox"/> Exequiel D. Robles | <input type="checkbox"/> Jose S. Gonzales *** |
| <input type="checkbox"/> Jose Arturo Tugade *** | <input type="checkbox"/> Philip L. Go *** |
| <input type="checkbox"/> Alfredo Espino *** | <input type="checkbox"/> Celestin L. Ko *** |
| <input type="checkbox"/> Jose C. Lalisán Jr. *** | <input type="checkbox"/> Julio Felino M. Manalo *** |
| <input type="checkbox"/> Renato Ramos *** | <input type="checkbox"/> Wilbert T. Young *** |
| <input type="checkbox"/> Raul R. Corro *** | <input type="checkbox"/> Alfredo C. Lim *** |
| <input type="checkbox"/> Chongyun Park *** | |

6. Should any of the foregoing candidates fail to qualify or in any manner be unable to hold the position of direction, the proxy is hereby given discretion and authority to choose and vote for a substitute.
7. Approval of the Acts of Management
 Approved Disapproved Abstain
8. Represent me in other matters in said meeting.

*** Nominee for Independent Director

Item 2. Instruction

By affixing his/her signature on the space provided below, the undersigned shareholder hereby directs the said proxy to vote on the agenda items set forth above as he/she has expressly indicated by marking the same with an "x", failing which, the said proxy shall exercise full discretion in acting thereon.

Item 3. Revocability of Proxy

This proxy shall be valid for the Annual Shareholders' Meeting scheduled on 12 October 2024 or any postponements or adjournments thereof, and for Annual Shareholders' Meetings thereafter, for a maximum period of five (5) years. This proxy may be revoked by the undersigned shareholder by: (a) submitting a written instrument containing the wet signature of the undersigned shareholder reflecting his or her intention to revoke this proxy; or (b) submitting a later proxy in favor of another. All documents for the revocation of proxies may be sent to billingtheorchardgolf@gmail.com or orchardasme2024@gmail.com, with the original hard copy delivered to the Corporate Secretary on before 12 o'clock in the afternoon of 10 October 2024 for purposes of the Annual Shareholders' Meeting on 12 October 2024, or such other dates as may be prescribed by the Board of Directors for Annual Shareholders' Meetings thereafter. Should the undersigned shareholder register his or her personal attendance and intention to vote in person at the start of the Annual Shareholders' Meeting, this proxy shall be suspended for the particular meeting attended by the undersigned shareholder but shall nonetheless remain valid for succeeding shareholders' meetings within its validity period.

Member's Signature over Printed Name

Date

A copy of the Proxy Form is hereto attached as Annex "F".

Item 4. Persons Making the Solicitation

THIS PROXY IS BEING SOLICITED ON BEHALF OF MANAGEMENT.

There is no director who has informed the Club in writing that he intends to oppose any action to be taken by the Club at the meeting.

Management intends to solicit through Suremail Courier Services, Inc., which will cover Metro Manila and nearby provinces Cavite, Laguna, Rizal, Batangas, Bulacan, and Pampanga.

The estimated cost for postage and freight is PhP 30,000.00.

Item 5. Interest of Certain Persons in Matters to be Acted Upon

None of the directors or officers of the Club, or any nominee to the Board or any associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Annual Shareholders' Meeting. Likewise, there are no persons who have substantial interest, direct or indirectly in any matter to be acted upon other than election to office.

There is no director who has informed the Club in writing that he intends to oppose any action to be taken by the Club at the Annual Shareholders' Meeting.

Other Matters

(a) Number of Members as of 31 December 2023

<i>Class</i>	<i>Billable Members</i>
"A"	1,237
"B"	329
"C"	814
Lifetime Member	41
TOTAL	2,421

(b) Number of Members in good standing as of 31 December 2023

<i>Class</i>	<i>Billable Members</i>
"A"	1,202
"B"	321
"C"	789
Lifetime Member	41
TOTAL	2,353

(c) Membership fees and monthly maintenance dues collected:

Particulars	Rate	Total Collection
Maintenance Dues	5,500	61,615,901.50
Transfer Fee	200,000	11,425,000.00
Assignment of Playing Rights Fee	125,000	4,500,000.00
Change of Corporate Nominee Fee	100,000	2,100,000.00

(d) Other Membership/Club Fees:

Particulars	Rate	Total Collection
Refundable Deposit	35,000	1,260,000.00
Annual Assignee Fee	25,000	7,774,250.00

** Amounts are based on the actual collection by the Club for the period of January – May 2024.

(e) All projects have been completed.

(f) The real properties of the Club and improvements thereon are situated on a tract of land situated in the City of Dasmariñas, Province of Cavite, Philippines, with an aggregate land area of one million three hundred and seventy-eight thousand one hundred forty-seven (1,378,147) square meters under twenty-three (23) separate Transfer of Title Certificates (T-436143, 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) under the Register of Deeds of Trece Martinez City, Cavite, Philippines. All Transfer of Title Certificates are owned and registered in the name of The Orchard Golf & Country Club.

(g) Appraised/market value of the Club's property:

On 9 January 2023, the Club engaged an independent valuation specialist Value Metrics, Inc. to assess the fair value of its properties. The market value of the 1,378,147 square meter Land, including Buildings, Other Land Improvements, Machinery & Equipment, Kitchen Equipment, Transportation Equipment, Computer Equipment and Furniture, Fixture, Office, and Restaurant Equipment as of 31 December 2022 was revalued at PhP 9,035,745,600.00.

(h) Cancellation period or cooling off period in the purchase of membership shares:

There is no cancellation period or cooling-off period in the purchase of membership shares.

PART III.

SIGNATURE PAGE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized this 28 June 2024 at Pasig City.

Undertaking to Provide Annual Report


THE CLUB SHALL FURNISH ITS SHAREHOLDERS WITH A COPY OF SEC FORM 17-A, FREE OF CHARGE, UPON A WRITTEN REQUEST ADDRESSED TO:

OFFICE OF THE SECOND ASSISTANT CORPORATE SECRETARY
UNIT 2304 ANTEL CLOBAL CORPORATE CENTER, NO. 3 JULIA VARGAS AVENUE,
ORTIGAS CENTER, PASIG CITY

THE ORCHARD GOLF & COUNTRY CLUB, INC.

Issuer

By:



CHILES MEGAN M. AREÑO
Second Asst. Corporate Secretary

**SECURITIES AND EXCHANGE COMMISSION**

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessaging@sec.gov.ph



The following document has been received:

Receiving: ARVIN BANAWA

Receipt Date and Time: April 23, 2024 03:43:18 PM

Company Information

SEC Registration No.: AS92000798

Company Name: ORCHARD GOLF & COUNTRY CLUB, INC.

Industry Classification: None

Company Type: Stock Corporation

Document Information

Document ID: OST10423202482268384

Document Type: Financial Statement

Document Code: FS

Period Covered: December 31, 2023

Submission Type: Annual

Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	2	0	0	0	7	9	8
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COMPANY NAME

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	.																						
(A		N	O	N	P	R	O	F	I	T		O	R	G	A	N	I	Z	A	T	I	O	N)						

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

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									

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

C	R	M	D
---	---	---	---

Secondary License Type, if Applicable

N	A
---	---

COMPANY INFORMATION

Company's Email Address

togccofficial@gmail.com

Company's Telephone Number/s

(02) 8982-2000

Mobile Number

0917-578-5912

No. of Stockholders

2,657

Annual Meeting (Month/Day)

2nd SATURDAY OF OCT

Fiscal Year (Month/Day)

12 / 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Henry Cua Loping

Email Address

togccofficial@gmail.com

Telephone Number/s

(02) 8982-2000

Mobile Number

0917-883-4749

CONTACT PERSON'S ADDRESS

Suite 1822, Tytana Center, Plaza Lorenzo Ruiz, Binondo, Manila

Note 1: In case of death, resignation, or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

The Orchard Golf & Country Club, Inc.

Financial Statements with Supplementary Schedules
for the Securities and Exchange Commission
December 31, 2023

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FIRST SECTION

Statement of Management's Responsibility for Separate Financial Statements
Independent Auditor's Report
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Statement of Cash Flows
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- I. Supplementary schedules required by Annex 68-E
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Shareholders (Other than Related Parties)
 - C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
 - D. Long-Term Debt
 - E. Indebtedness to Related Parties (Long-term Loans from Related Parties)
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock
- II. Financial soundness indicators
- III. Reconciliation of retained earnings available for dividend declaration
Not applicable*
- IV. A map showing the relationships among the group and its ultimate parent company
Not applicable*

**Based on the Articles of Incorporation of the Club, no profit will inure to the exclusive benefit of any shareholders, hence, no dividends will be declared*

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

The management of **The Orchard Golf & Country Club, Inc.** (the "Club") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

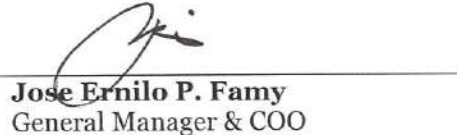
Isla Lipana & Co., the independent auditor, appointed by the stockholders, has audited the financial statements of the Club in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.



Vicente R. Santos
Chairman of the Board of Directors



Henry T. Cua Loping
Treasurer




Jose Ernilo P. Famy
General Manager & COO

SUBSCRIBED AND SWORN to before this 11 APR 2024 at Dasmariñas City, Cavite, affiants exhibiting to me their Tax Identification Numbers:

Name	TIN
Vicente R. Santos	155-810-410
Henry T. Cua Loping	127-189-383
Jose Ernilo P. Famy	107-081-014

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Book No. 04
Series of 2024



Atty. CRISANTO U. PASCUAL, JR.
Notary Public for Cavite Province
NP Case No. 00284-22 until 12-31-2024
Roll 37506 TIN 117563655 PTR 1871788
MCLE VII-00110394 / (9) / IBP O.R.# 248271

FIRST SECTION



Independent Auditor's Report

To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Km 27 Aguinaldo Highway, Salawag
Dasmariñas City, Cavite

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Orchard Golf & Country Club, Inc. (the "Club") as at December 31, 2023 and 2022 and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The financial statements of the Club comprise:

- the statements of financial position as at December 31, 2023 and 2022;
- the statements of total comprehensive income for each of the years ended December 31, 2023;
- the statements of changes in equity for each of the years ended December 31, 2023;
- the statements of cash flows for each of the years ended December 31, 2023;
- the notes to the financial statements, which include material accounting policies.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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Independent Auditor's Report
To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Page 2

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

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, 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 Club'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 Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 financial statements.



Independent Auditor's Report
To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
Page 3

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 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 Club'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 Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Independent Auditor's Report
To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
(A non-profit organization)
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Report on the Bureau of Internal Revenue Requirement

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.

Dennis M. Malco
Partner
CPA Cert. No. 126035
P.T.R. No. 0080034, issued on January 12, 2024, Makati City
TIN 268-146-184
BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 1, 2024





**Statement Required by Rule 68,
Securities Regulation Code (SRC)**

To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
Km 27 Aguinaldo Highway, Salawag
(A non-profit organization)
Dasmariñas City, Cavite

We have audited the accompanying financial statements of The Orchard Golf & Country Club, Inc. as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 1, 2024. The supplementary information shown in the Schedules A, B, C, D, E, F and G as additional components required by Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not a required part of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information have been prepared in accordance with Rule 68 of the SRC.

Isla Lipana & Co.

A handwritten signature in black ink that reads "Dmalco".

Dennis M. Malco
Partner

CPA Cert. No. 126035

P.T.R. No. 0080034, issued on January 12, 2024, Makati City

TIN 268-146-184

BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025

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**Statement Required by Rule 68,
Securities Regulation Code (SRC)**

To the Members and Board of Directors of
The Orchard Golf & Country Club, Inc.
Km 27 Aguinaldo Highway, Salawag
(A non-profit organization)
Dasmariñas City, Cavite

We have audited the financial statements of The Orchard Golf & Country Club, Inc. (the "Club") as at and for the year ended December 31, 2023, on which we have rendered the attached report dated April 1, 2024.

In compliance with SRC Rule 68 and based on the certification received from the Club's corporate secretary and the results of our work performed, the Club has two (2) shareholders owning one hundred (100) or more shares each as at December 31, 2023.

Isla Lipana & Co.

A handwritten signature in black ink that reads "Dmalco".

Dennis M. Malco
Partner

CPA Cert. No. 126035

P.T.R. No. 0080034, issued on January 12, 2024, Makati City

TIN 268-146-184

BIR A.N. 08-000745-144-2022; issued on February 15, 2022; effective until February 14, 2025

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Makati City
April 1, 2024

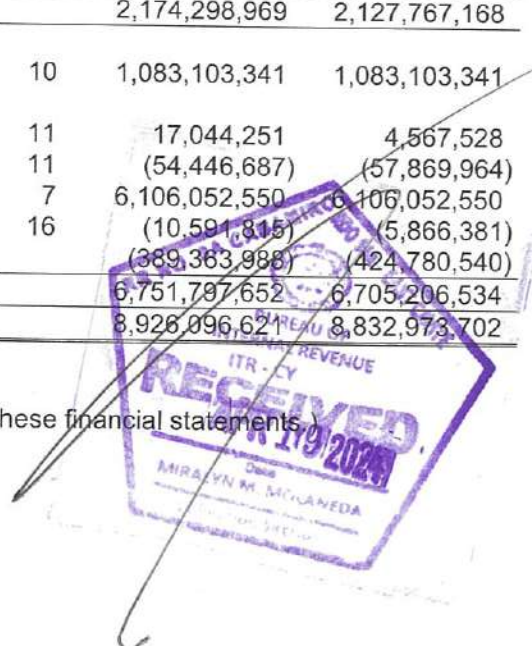
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The Orchard Golf & Country Club, Inc.
(A non-profit organization)

Statements of Financial Position
As at December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	2	141,045,110	77,146,915
Receivables, net	3	19,762,347	18,028,465
Inventories	4	3,508,768	2,877,155
Prepayments and other current assets	5	12,281,455	16,114,832
Total current assets		176,597,680	114,167,367
Non-current assets			
Property and equipment, net	6	472,559,381	446,804,475
Land at revalued amount	7	8,268,882,000	8,268,882,000
Other non-current assets		8,057,560	3,119,860
Total non-current assets		8,749,498,941	8,718,806,335
Total assets		8,926,096,621	8,832,973,702
Liabilities and Member's Equity			
Current liabilities			
Accounts payable and other current liabilities	8	103,238,874	67,216,265
Contract liabilities	9	11,050,329	9,043,816
Deposits from assignees and others	9	11,558,330	10,430,849
Total current liabilities		125,847,533	86,690,930
Non-current liabilities			
Deposits from assignees and others - net of current portion	9	2,420,000	1,450,000
Deferred income tax liability	17	2,035,350,850	2,035,350,850
Retirement benefit obligation	16	10,680,586	4,275,388
Total non-current liabilities		2,048,451,436	2,041,076,238
Total liabilities		2,174,298,969	2,127,767,168
Members' equity			
Capital stock	10	1,083,103,341	1,083,103,341
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members	11	17,044,251	4,567,528
Shares of delinquent members acquired through auctions	11	(54,446,687)	(57,869,964)
Revaluation increments on land, net	7	6,106,052,550	6,106,052,550
Remeasurement on retirement benefits, net	16	(10,591,815)	(5,866,381)
Cumulative excess of expenses over receipts		(389,363,988)	(424,780,540)
Total members' equity		6,751,797,652	6,705,206,534
Total liabilities and shareholders equity		8,926,096,621	8,832,973,702

(The notes on pages 1 to 32 are an integral part of these financial statements.)



The Orchard Golf & Country Club, Inc.
(A non-profit organization)

Statements of Total Comprehensive Income
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Members' dues and fees				
Membership dues	12	151,337,066	149,442,503	156,391,659
Transfer and assignment fees	12	47,898,750	37,136,760	20,350,000
Total members' dues and fees		199,235,816	186,579,263	176,741,659
Revenues from clubhouse operations				
Green fees	12	61,602,473	35,701,714	18,613,530
Golf cart fees	12	40,282,581	36,976,607	30,484,169
Tournament fees	12	17,208,828	12,557,055	-
Concessionaire's fees	12	12,343,993	9,471,151	4,672,525
Grand raffle event	12	8,429,155	7,851,473	-
Recreational facilities fees	12	5,804,937	4,639,906	781,101
Facilities rental	12	5,092,332	2,645,822	511,160
Practice range fees	12	3,130,621	2,601,858	2,093,533
Pro shop commission	12	2,855,752	2,857,903	2,442,320
Pro shop sales	12	1,699,421	1,195,849	956,243
Others	12	2,570,158	2,050,831	1,132,766
Total revenue from clubhouse operations		161,020,251	118,550,169	61,687,347
Total receipts		360,256,067	305,129,432	238,429,006
Cost of goods sold and services	13	(140,565,532)	(110,415,170)	(79,867,738)
Excess of receipts over cost before operating expenses, other income and depreciation expense		219,690,535	194,714,262	158,561,268
Operating expenses other than depreciation	14	(152,682,731)	(133,700,755)	(121,946,238)
Interest income	2	5,699,098	876,779	618,430
Reversal of doubtful accounts	3	58,533	5,994,243	4,123,317
Other income, net	15	13,876,783	8,439,332	2,170,829
Excess of receipts and other income over costs and operating expenses other than depreciation expense		86,642,218	76,323,861	43,527,606
Depreciation expense	6	(46,439,826)	(41,746,221)	(39,285,837)
Excess of receipts over expenses before income tax		40,202,392	34,577,640	4,241,769
Income tax expense	17	(4,785,840)	(591,568)	(300,540)
Excess of receipts over expenses after income tax for the year		35,416,552	33,986,072	3,941,229
Other comprehensive income (loss)				
<i>Items that will not be reclassified to profit or loss</i>				
Adjustment on deferred income tax liability	7,17	-	-	358,835,025
Remeasurement (loss) gain on retirement benefit obligation	16	(4,725,434)	2,127,441	7,828,216
Revaluation increment on land, net	7	-	723,527,175	-
Other comprehensive loss (income) for the year		(4,725,434)	725,654,616	366,663,241
Total comprehensive income for the year		30,691,118	759,640,688	370,604,470
Basic and diluted earnings per share	10	13,330	12,844	1,488

(The notes on pages 1 to 32 are an integral part of these financial statements.)



The Orchard Golf & Country Club, Inc.
(A non-profit organization)

Statements of Changes in Equity
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Capital stock (Note 10)	Accumulated excess of proceeds over cost from re- issuance of shares of delinquent members (Note 11)	Shares of delinquent members acquired through auctions (Note 11)	Revaluation increments on land, net (Note 7)	Remeasuremen t on retirement benefits, expenses over receipts (Note 16)	Cumulative excess of expenses over receipts	Total
Balances as at January 1, 2021	1,083,103,341	1,264,780	(48,374,751)	5,023,690,350	(15,822,038)	(462,707,841)	5,581,153,841
Comprehensive income							
Excess of expenses over receipts	-	-	-	-	-	3,941,229	3,941,229
Other comprehensive income	-	-	-	358,835,025	7,828,216	-	366,663,241
Total comprehensive income	-	-	-	358,835,025	7,828,216	3,941,229	370,604,470
Transactions with members							
Re-issuance of shares of delinquent members	-	1,547,508	502,500	-	-	-	2,050,008
Shares of delinquent members re-acquired by the Club	-	-	(7,993,592)	-	-	-	(7,993,592)
Total transactions with members	-	1,547,508	(7,491,092)	-	-	-	(5,943,584)
Balances as at December 31, 2021	1,083,103,341	2,812,288	(55,865,843)	5,382,525,375	(7,993,822)	(458,766,612)	5,945,814,727
Comprehensive income							
Excess of receipts over expenses	-	-	-	-	-	33,986,072	33,986,072
Other comprehensive income	-	-	-	723,527,175	2,127,441	-	725,654,616
Total comprehensive income	-	-	-	723,527,175	2,127,441	33,986,072	759,640,688
Transaction with members							
Re-issuance of shares of delinquent members	-	1,755,240	682,260	-	-	-	2,437,500
Shares of delinquent members re-acquired by the Club	-	-	(2,686,381)	-	-	-	(2,686,381)
Total transactions with members	-	1,755,240	(2,004,121)	-	-	-	(248,881)
Balances as at December 31, 2022	1,083,103,341	4,567,528	(57,869,964)	6,106,052,550	(5,866,381)	(424,780,540)	6,705,206,534
Comprehensive income							
Excess of receipts over expenses	-	-	-	-	-	35,416,552	35,416,552
Other comprehensive income	-	-	-	-	(4,725,434)	-	(4,725,434)
Total comprehensive income	-	-	-	-	(4,725,434)	35,416,552	30,691,118
Transactions with members							
Re-issuance of shares of delinquent members	-	12,476,723	3,423,277	-	-	-	15,900,000
Shares of delinquent members re-acquired by the Club	-	17,044,251	(54,446,687)	6,106,052,550	(10,591,815)	(389,363,988)	6,751,797,652
Balances as at December 31, 2023	1,083,103,341	17,044,251	(54,446,687)	6,106,052,550	(10,591,815)	(389,363,988)	6,751,797,652

(The notes on pages 1 to 32 are an integral part of these financial statements.)

The Orchard Golf & Country Club, Inc.
(A non-profit organization)

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Excess of receipts over expenses before income tax		40,202,392	34,577,640	4,241,769
Adjustments for:				
Depreciation expense	6	46,439,826	41,746,221	39,285,837
Loss on disposal of property and equipment	15	-	25,000	-
Reversal of impairment of receivables	3	(58,533)	(5,994,243)	(4,123,317)
Retirement benefit cost	16	2,734,867	3,616,839	4,699,086
Interest income	2	(5,699,098)	(876,779)	(618,430)
Excess of receipts over expenses before working capital changes		83,619,454	73,094,678	43,484,945
Decrease (increase) in:				
Receivables		(1,675,349)	2,677,035	5,309,645
Inventories		(631,613)	152,347	(148,144)
Prepayments and other current assets		3,833,377	(3,312,639)	(9,642,163)
Other non-current assets		(4,937,700)	(196,693)	1,642,435
Increase (decrease) in:				
Accounts payable and other current liabilities		22,481,769	2,287,827	8,929,820
Contract liabilities		2,006,512	(5,060,355)	(1,015,864)
Deposits from assignees and others		2,097,481	1,847	(408,214)
Cash generated from operations		106,793,931	69,644,047	48,152,460
Income taxes paid			-	(1,174,695)
Interest received	2	5,699,098	876,779	618,430
Contribution made to the retirement fund	16		(2,500,000)	(2,500,000)
Retirement benefits paid	16	(1,055,102)	(924,009)	(1,843,691)
Net cash from operating activities		111,437,927	67,096,817	43,252,504
Cash flows from investing activities				
Additions to property and equipment	6	(72,225,982)	(50,134,228)	(38,792,392)
Proceeds from sale of property and equipment	6	31,250	325,834	229,213
Net cash used in investing activities		(72,194,732)	(49,808,394)	(38,563,179)
Cash flow from financing activities				
Re-acquisition of shares of delinquent members of the Club	11	-	(2,686,381)	(7,993,592)
Proceeds from reissuance of Club's shares	11	24,655,000	2,437,500	2,050,008
Net cash from (used in) financing activities		24,655,000	(248,881)	(5,943,584)
Net increase (decrease) in cash		63,898,195	17,039,542	(1,254,259)
Cash and cash equivalents at beginning of the year		77,146,915	60,107,373	61,361,632
Cash and cash equivalents at end of the year	2	141,045,110	77,146,915	60,107,373

(The notes on pages 1 to 32 are an integral part of these financial statements.)

The Orchard Golf & Country Club, Inc.
(A non-profit organization)

Notes to the Financial Statements

As at and for the years ended December 31, 2023 and 2022

(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

1.1 Business information

The Orchard Golf & Country Club, Inc. (the "Club") was registered with the Philippine Securities and Exchange Commission (SEC) on February 5, 1992. The Club was established to promote social, educational and athletic activities on a non-profit basis among its members, the main objective of which is the maintenance of golf courses and related sports and recreational facilities.

The Club has a permit from the Philippine SEC to offer its securities for sale to the public consisting of 3,000 proprietary certificates, 7 shares of which are founders' certificates while 2,993 shares are regular certificates.

The Club has 114 regular employees as at December 31, 2023 (2022 - 99).

The registered office address of the Club is Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite.

1.2 Approval of the Club's financial statements

These financial statements were authorized and approved for issue by the Board of Directors (BOD) on March 26, 2024. There are no significant events that occurred from March 26, 2024 until April 1, 2024 requiring adjustment or disclosure in the financial statements.

2 Cash

Cash and cash equivalents as at December 31 consist of:

	2023	2022
Cash on hand	500,000	500,000
Cash in banks	36,307,180	26,292,185
Short-term deposits	104,237,930	50,354,730
	141,045,110	77,146,915

Cash in banks earns interest at the respective bank deposit rates.

Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Club and earn interest ranging from 0.90% to 4.80%.

Interest income earned from cash in banks and short-term deposits for the year ended December 31, 2023, amounted to P5,478,177 (2022 - P722,954; 2021 - P427,837). Other interest income amounting to P220,921 (2022 - P153,825; 2021 - P190,593) is earned from loans provided to officers presented as part of advances to officers and employees (Note 3).

3 Receivables, net

Receivables, net as at December 31 consist of:

	2023	2022
Receivables from members	49,753,929	51,185,509
Advances to officers and employees	3,676,662	4,855,571
Receivable from concessionaires	528,658	571,285
Receivable from credit card companies	1,648,021	1,773,597
Others	10,162,286	5,731,245
	65,769,556	64,117,207
Allowance for doubtful accounts	(46,007,209)	(46,088,742)
	19,762,347	18,028,465

Receivables from members are non-interest-bearing and have a 30 days' term subject to 3% penalty per month for unpaid amounts. Late payment charges amounting to P3,739,554 (2022 - P5,461,968; 2021 - P1,689,573) are recognized in profit or loss within other income (Note 15).

Advances to officers and employees are non-interest-bearing and are collected through equal salary deductions over six (6) to twelve (12) months.

Receivable from concessionaires are non-interest-bearing and normally have a credit term of 30 days.

Other receivables consist mainly of sponsorships for Founders' Cup tournament which are non-interest-bearing.

The movements in the allowance for impairment of receivables for the years ended December 31 are as follows:

	2023	2022	2021
Beginning of the year	46,088,742	52,227,242	56,360,883
Provision for impairment of receivables	1,123,480	-	-
Write-off	(22,999)	(144,257)	(10,324)
Reversal	(1,182,014)	(5,994,243)	(4,123,317)
End of the year	46,007,209	46,088,742	52,227,242

In 2023, the Club reversed the provision for impairment of receivables amounting to P1,182,014 (2022 - P5,994,243; 2021 - P4,123,317) for the receivables from seriously delinquent members whose shares were sold through auction.

Critical accounting estimates and assumptions: Expected credit losses (ECL) on receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using expected credit losses (ECLs). ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Club used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgements.

The Club also evaluates specific account of members, customers, and other counterparties who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to, the debtor's payment history and the result of the Club's follow-up action to recover overdue debts. Any change in the Club's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

Management believes that the recorded allowance as at each reporting period is sufficient to cover the receivables that are impaired and assessed to be uncollectible.

4 Inventories

Inventories as at December 31 consist of:

	2023	2022
Golf maintenance supplies	2,657,539	2,562,418
Pro shop supplies	851,229	314,737
	<u>3,508,768</u>	<u>2,877,155</u>

The total cost of golf maintenance supplies used and pro shop goods sold by the Club amounted to P4,805,261 and P1,212,773, respectively (2022 – P3,478,876 and P863,075; 2021 – P2,345,317 and P654,730, respectively) (Note 13).

5 Prepayments and other current assets

Prepayments and other current assets as at December 31 consist of:

	2023	2022
Prepaid taxes	9,514,644	11,874,310
Prepaid supplies	2,766,811	4,240,522
	<u>12,281,455</u>	<u>16,114,832</u>

Prepaid tax mostly pertains to real property taxes paid by the Club in advance for year 2024.

Prepaid supplies include payments for prepaid insurance and advances to suppliers for golf course maintenance projects.

6 Property and equipment, net

Details of property and equipment, net at December 31 are as follows:

	Land improvements	Buildings and structures	Facilities and equipment	Furniture and fixtures	Kitchen equipment	Construction-in-progress	Total
At January 1, 2022							
Cost	608,069,332	364,951,541	471,944,875	21,956,225	2,121,657	5,519,373	1,474,563,003
Accumulated depreciation	(410,290,912)	(196,750,374)	(406,084,381)	(20,548,377)	(2,121,657)	-	(1,035,795,701)
Net carrying value	197,778,420	168,201,167	65,860,494	1,407,848	-	5,519,373	438,767,302
Year ended December 31, 2022							
Opening net carrying value	197,778,420	168,201,167	65,860,494	1,407,848	-	5,519,373	438,767,302
Additions	-	11,410,346	34,873,748	-	-	3,850,134	50,134,228
Depreciation	(10,155,101)	(12,658,140)	(18,264,039)	(668,941)	-	-	(41,746,221)
Disposal	-	-	-	-	-	-	-
Cost	-	-	(22,893,530)	-	-	-	(22,893,530)
Depreciation	-	-	22,542,696	-	-	-	22,542,696
Closing net carrying value	187,623,319	166,953,373	82,119,369	738,907	-	9,369,507	446,804,475
At December 31, 2022							
Cost	608,069,332	376,361,887	483,925,093	21,956,225	2,121,657	9,369,507	1,501,803,701
Accumulated depreciation	(420,446,013)	(209,408,514)	(401,805,724)	(21,217,318)	(2,121,657)	-	(1,054,999,226)
Net carrying value	187,623,319	166,953,373	82,119,369	738,907	-	9,369,507	446,804,475
Year ended December 31, 2023							
Opening net carrying value	187,623,319	166,953,373	82,119,369	738,907	-	9,369,507	446,804,475
Additions	-	24,021,501	47,939,694	-	-	264,787	72,225,982
Depreciation	(10,253,214)	(13,999,230)	(21,694,959)	(492,423)	-	-	(46,439,826)
Disposal	-	-	-	-	-	-	-
Cost	-	-	(5,204,410)	(100,628)	-	-	(5,305,038)
Depreciation	-	-	5,173,160	100,628	-	-	5,273,788
Closing net carrying value	177,370,105	176,975,644	108,332,854	246,484	-	9,634,294	472,559,381
At December 31, 2023							
Cost	608,069,332	400,383,388	526,660,377	21,855,597	2,121,657	9,634,294	1,568,724,645
Accumulated depreciation	(430,699,227)	(223,407,744)	(418,327,523)	(21,609,113)	(2,121,657)	-	(1,096,165,264)
Net carrying value	177,370,105	176,975,644	108,332,854	246,484	-	9,634,294	472,559,381

Critical accounting estimates and assumptions: Estimated useful life of property and equipment

The Club estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Such estimation is based on a collective assessment of the practices of similar businesses and experiences with similar assets.

Based on management's assessment, there is no change in estimated useful lives of property and equipment during the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors discussed in the foregoing.

It is possible that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the change in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded expenses and decrease non-current assets.

Critical accounting judgment: Determination of impairment of non-financial assets

Non-financial assets including property and equipment, and land at revalued amount are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that there are no events or changes in circumstances which indicate that the carrying amount of its non-financial assets may be impaired as at each reporting period.

7 Land at revalued amount

Details of land at revalued amount as at December 31 are as follows:

	2023	2022	2021
Balance at beginning of year	8,268,882,000	7,304,179,100	7,304,179,100
Revaluation increment during the year recognized in other comprehensive income	-	964,702,900	-
Balance at end of year	8,268,882,000	8,268,882,000	7,304,179,100

The land has a historical cost amounting to P127,478,600.

The fair value of the land as at December 31, 2023 and 2022 was based on the appraisal report dated January 9, 2023 determined by Value Metrics, Inc. using market (data) approach. Meanwhile, the fair values of the land as at December 31, 2021 and 2020 were based on the latest appraisal report dated November 30, 2020 determined by Cuervo Appraisers, Inc. using market (data) approach for the Club.

The land is carried at fair value as appraised on various dates as follows:

	Date of appraisal	Appraisal value
2022	January 9, 2023	8,268,882,000
2020	November 30, 2020	7,304,179,100

The cumulative fair value gain on land recognized in the statements of total comprehensive income and in the statements of changes in equity for each of the three years in the period ended December 31, 2023 follows:

	Gross amount	Deferred income tax (Note 17)	Net amount
Revaluation increment on land, January 1, 2021	7,176,700,500	2,153,010,150	5,023,690,350
Effect of change in tax rate	-	(358,835,025)	358,835,025
Revaluation increment on land, December 31, 2021	7,176,700,500	1,794,175,125	5,382,525,375
Revaluation gain for the year	964,702,900	241,175,725	723,527,175
Revaluation increment on land, December 31, 2022	8,141,403,400	2,035,350,850	6,106,052,550
Revaluation gain for the year	-	-	-
Revaluation increment on land, December 31, 2023	8,141,403,400	2,035,350,850	6,106,052,550

Valuation techniques

Taking into account the most recent independent valuations, the Club updates their assessment of the fair value of the land.

Description of the valuation techniques and key inputs to the valuation of land at revalued amount are as follows:

As at December 31 2023:

Valuation technique	Significant unobservable inputs	Range
Market (data) approach	Selling price of identical piece of land	12,000 to 15,000 per square meter
	External factor adjustments	-10% to -15%
	Internal factor adjustments	-10% to -50%
	Average fair value after internal and adjustments	6,000 per square meter external factor

As at December 31 2021:

Valuation technique	Significant unobservable inputs	Range
Sales comparison approach	Selling price of identical piece of land	7,000 to 18,220 per square meter
	External factor adjustments	-10%
	Internal factor adjustments	-10% to -55%
	Average fair value after internal and adjustments	5,300 per square meter external factor

The Club determines that the said properties were valued within a range of reasonable fair value estimates where all resulting fair value estimates are categorized as fair value measurements using significant unobservable inputs (Level 3).

Valuations are performed with sufficient regularity at least once every two (2) years enough to ensure that the fair value of the revalued asset does not differ significantly from its carrying value. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Critical accounting estimates and assumptions: Fair value estimation of land

Land is measured at revalued amount, which approximates its fair value at the date of the revaluation less any accumulated impairment losses. In determining the fair value of land, the Club, through the professional services of an independent external appraiser, utilized a sales comparison approach. The technique of this approach requires comparison of properties with similar characteristics that are offered for sale or have been sold recently.

When a valuation is obtained, management reviews the key inputs, assesses valuation movements and holds discussions with the valuer as part of the process. Discussions about the valuation processes and results are held between the management and the Club's BOD.

The sensitivity of the land at revalued amount to changes in the significant unobservable inputs as at December 31 is as follows:

	Change in price per square meter	Impact on	
		Land	OCI, net of tax
2023	+/- 5%	+/- 413,444,100	+/- 310,083,075
2022	+/- 5%	+/- 413,444,100	+/- 310,083,075

8 Accounts payable and other current liabilities

Accounts payable and other current liabilities as at December 31 consist of:

	2023	2022
Trade payables:		
Due to members	14,917,981	17,851,157
Third parties	28,387,670	13,393,404
Related parties	759,972	226,604
Accrued expenses:		
Professional fees	5,804,362	3,760,862
Outside services	3,540,352	3,393,001
Utilities	532,903	511,983
Others	2,038,757	714,563
Deposit for re-acquired shares	22,250,000	13,495,000
Consignment and due to concessionaires	8,154,614	8,100,253
Payable to government agencies	5,050,960	3,148,300
Others	11,801,303	2,621,138
	103,238,874	67,216,265

Trade payables to third parties are non-interest-bearing and are normally on 15 to 30 days' terms.

Due to members account pertains to player's payment of golfers' insurance fee and hole-in-one fund. These are amounts paid by the members every time they play in the Club in anticipation of a hole-in-one and fund in case of accidents relating to the insurance.

Accrued expenses are non-interest-bearing and have an average term of one month.

Deposit for re-acquired shares pertains payments received for the sale of re-acquired shares which are awaiting the issuance of the related stock certificates to new owners.

Consignment and due to concessionaires account pertain to unremitted sales to consignors and concessionaires. These are all collections by the Club, made through its point-of-sale system, which shall be operated and maintained exclusively by the Club, after the deduction of the appropriate concession fee and cash advances which are remitted to the concessionaires on the thirtieth (30th) day of each month (Note 12).

Other payables which mainly pertain to liabilities from environment fees, tournament fees and other expenses are non-interest-bearing and are normally on 30 to 90 days' terms.

9 Contract liabilities/deposits from assignees and others

Contract liabilities pertain to advances received from members and customers for food and beverage, golf rentals, and other Club facilities, which are recognized as part of revenue upon satisfaction of performance obligations, normally within one year upon receipt of advances. As at December 31, 2023 contract liabilities amounted to P11,050,329 (2022 - P9,043,816).

Deposits from assignees pertain to initial deposits from members' assignees related to the playing rights and are refundable at the end of the contract term. Deposits from others pertain to deposits for guest fees which are refundable at the end of each use of the facilities. As at December 31, 2023, deposits from assignees and others amounted to P13,978,330 (2022 - P11,880,849).

10 Capital stock, club membership and basic earnings (loss) per share

Details of capital stock as at December 31, 2023 and 2022 are as follows:

	Authorized		Issued, subscribed and outstanding	
	Number of shares	Amount	Number of shares	Amount
Class A	1,800	448,455,086	1,800	448,455,086
Class B	700	296,074,144	700	296,074,144
Class C	500	338,574,111	500	338,574,111
	3,000	1,083,103,341	3,000	1,083,103,341

Founders' shares and Class "A" shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which at least sixty percent (60%) of the outstanding capital stock and entitled to vote is owned or controlled by citizens of the Philippines.

Class "B" shares may be sold to any individual, corporation, partnership, or association, irrespective of their nationality.

Class "C" shares are special corporate shares which may be sold to corporations irrespective of their nationality or citizenship.

Ownership of a share shall entitle the registered owner to the use of all the sports and other facilities of the Club. The ownership of all shares of stock is however, subject to the following restrictive conditions, among others:

- No transfer of shares of stocks of the Club which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Club. This restriction shall be printed or indicated in all the certificates of stocks to be issued by the Club. Any transfer made in violation hereof shall be null and void;
- No profit shall inure to the exclusive benefit of any of the shareholder, 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 the dissolution or liquidation;
- In case of foreclosure by the pledgee or mortgagee of the shares of shareholders in the Club, the pledgee/mortgagee shall, in the event of inability of the pledgor or mortgagor to meet the obligation of such pledgor or mortgagor under the terms of the pledge or chattel mortgage, notify the Club in writing of the date, time and place of foreclosure sale and of the nature and amount of obligation secured by the pledge or mortgage, which sale shall be conducted not earlier than 15 days from the date the Club received written notice thereof. The Club shall have the right to purchase the auctioned shares within 30 days from the award by paying in cash the price paid for by the winning bidder and expenses of sale incurred by the latter;

- d. Shareholders and members of the Club shall be subjected to the payment of monthly dues in an amount as may be prescribed by resolution of the BOD to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Such dues together with all other obligations of the shareholders to the Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government and in the event of delinquency, such shares may be ordered sold by the BOD in the manner provided in the by-laws to satisfy said dues or other obligations of the shareholders;
- e. In case any shareholder violates the provisions of the Articles of Incorporation or the By-laws or rules and regulations of the Club or resolutions duly promulgated by the BOD or shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Club, such shareholder may be expelled by the BOD in the manner provided in the by-laws upon proper notice and hearing, and he shall then cease to be a shareholder, and shall have no right with respect to his share except the right to demand payment therefore in accordance with the by-laws. The Club shall have a period of 30 days from the expulsion of the shareholder to make payment of his share, and upon such payment the shareholder shall forthwith transfer and assign the share held by him as directed by the Club.

Membership in the Club consists of regular, assignee, honorary and founding members.

Regular Members

Regular members are natural persons who are registered shareowners and the duly designated representatives of juridical entities in whose name the share certificates have been issued.

Assignee Members

Assignee members are natural persons who are entitled to use all facilities and privileges of the Club, except the right to vote, the right to hold office, and the right to the assets and property of the Club.

Honorary Members

Honorary membership shall be automatically extended to the President of the Philippines, the Governor of Cavite, the Congressman and Mayor of the City of Dasmariñas, Cavite.

Founding Members

Founding members shall be composed of the original incorporators or subscribers of the Club who are holders of Founders' shares.

Non-activated shares

On December 13, 1994, the BOD of the Club approved the resolution that no membership dues shall be charged to the original holders' non-activated shares, unless they transfer or sell their share or assign the playing rights. Non-activated shares refer to those shares that have not been applied for membership and the monthly dues of which are not being paid. Original shareholders refer to Sta. Lucia Realty Development Inc., AFP-Retirement and Separation Benefits Systems, ACL Development Corporation and Helena Benitez. They were given shares of stock in the Club as compensation for their respective investments constituting land and development costs.

Notwithstanding the non-payment of fees and dues, holders of non-activated shares shall still have the right to vote in accordance with the right of a regular member in good standing.

Thus, in the case of original shareholders of non-activated shares, the nonpayment of fees, dues and assessments do not constitute delinquent shares and therefore are still entitled to vote.

Basic and diluted Earnings (Loss) Per Share

The following table presents information used to calculate earnings (loss) per share:

	2023	2022	2021
Excess of receipts over expenses after income tax	35,416,552	33,986,072	3,941,229
Number of shares (excluding shares of delinquent members)	2,657	2,646	2,648
Basic and diluted earnings per share	13,330	12,844	1,488

Basic and diluted earnings per share are equal as the Club does not have any dilutive potential ordinary shares in 2023, 2022 and 2021.

11 Shares of delinquent members acquired through auctions

This represents the following shares of delinquent members which were acquired through auctions pursuant to the Club By-laws as settlement of their long outstanding accounts.

Movements in shares of delinquent members acquired through auctions as at December 31 are as follows:

	2023		2022		2021	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of the year						
Class A	247	33,674,446	248	33,854,446	239	30,646,547
Class B	57	9,182,734	58	9,332,734	55	7,981,434
Class C	50	15,012,784	46	12,678,663	42	9,746,770
	354	57,869,964	352	55,865,843	336	48,374,751
Shares of delinquent members re-acquired by the Club						
Class A	-	-	-	-	9	3,207,898
Class B	-	-	-	-	4	1,503,800
Class C	-	-	5	2,686,381	5	3,281,894
	-	-	5	2,686,381	18	7,993,592
Shares re-issued during the year						
Class A	(4)	(1,234,398)	(1)	(180,000)	-	-
Class B	(3)	(664,000)	(1)	(150,000)	(1)	(152,500)
Class C	(4)	(1,524,879)	(1)	(352,260)	(1)	(350,000)
	(11)	(3,423,277)	(3)	(682,260)	(2)	(502,500)
Balance at end of the year						
Class A	243	32,440,048	247	33,674,446	248	33,854,445
Class B	54	8,518,734	57	9,182,734	58	9,332,734
Class C	46	13,487,905	50	15,012,784	46	12,678,664
	343	54,446,687	354	57,869,964	352	55,865,843

The related amounts outstanding from delinquent members were fully provided with allowance for impairment of receivables in prior years (Note 3).

For the year ended December 31, 2023, the Club was able to re-issue 11 shares (2022 - 3 shares; 2021 - 2 shares) of delinquent members acquired through auctions with cost of P3,423,277 (2022 - P682,260; 2021 - P502,500) for P15,900,000 (2022 - P2,437,500; 2021 - P2,050,008). The excess of proceeds over cost from re-issuance of shares of delinquent members for the year ended December 31, 2023 amounted to P12,476,723 (2022 - P1,755,240; 2021 - P1,547,508).

The accumulated proceeds from re-issuance of shares of delinquent members as at December 31, 2023 amounted to P17,044,251 (2022 - P4,567,528).

12 Receipts

The Club derives receipts from membership dues and fees, and revenue from sale of goods and services for the years ended December 31 are as follows:

	2023	2022	2021
At a point in time			
Tournament fees	17,208,828	12,557,055	-
Grand raffle tickets	8,429,155	7,851,473	-
Pro shop commission	2,855,752	2,857,903	2,442,320
Pro shop sales	1,699,421	1,195,849	956,243
Others	2,570,158	2,050,831	1,132,766
	32,763,314	26,513,111	4,531,329
Over time			
Membership dues	151,337,066	149,442,503	156,391,659
Green fees	61,602,473	35,701,714	18,613,530
Transfer and assignment fees	47,898,750	37,136,760	20,350,000
Golf cart fees	40,282,581	36,976,607	30,484,169
Concessionaire's fees	12,343,993	9,471,151	4,672,525
Recreational facilities fees	5,804,937	4,639,906	781,101
Facilities rental	5,092,332	2,645,822	511,160
Practice range fees	3,130,621	2,601,858	2,093,533
	327,492,753	278,616,321	233,897,677
	360,256,067	305,129,432	238,429,006

13 Cost of goods sold and services

The components of cost of goods sold and services for the years ended December 31 are as follows:

	Note	2023	2022	2021
Repairs and maintenance		58,107,858	47,413,253	40,137,346
Salaries, wages, and employee benefits		26,090,642	24,210,372	22,921,394
Tournament expenses		16,916,272	9,794,981	
Utilities		11,995,261	9,825,190	7,732,800
Grand raffle event		8,933,380	7,007,040	
Operating supplies	4	4,805,261	3,478,876	2,345,317
Professional fees		1,856,065	1,872,306	701,834
Member relations'		1,785,320	1,259,495	803,426
Cost of pro-shop sold	4	1,212,773	863,075	654,730
Retirement cost		1,151,523	1,607,484	2,287,506
Taxes and licenses		709,529	600,267	515,444
Beauty salon expenses		531,887	686,122	436,500
Representation		415,253	319,072	55,620
Communication		184,537	251,962	199,097
Linen and laundry		103,216	34,176	57,719
Others		5,766,755	1,191,499	1,019,005
		140,565,532	110,415,170	79,867,738

Member relations are expenses incurred in relation to members activities.

Others include the broker's processing fee, range balls, service supplies, rental equipment and dues and subscriptions.

14 Operating expenses other than depreciation

The components of general and administrative expenses for the years ended December 31 are as follows:

	2023	2022	2021
Salaries, wages and employee benefits	55,272,079	47,305,487	41,959,197
Repairs and maintenance	25,287,086	23,206,083	21,631,255
Security services	18,485,727	15,153,880	14,112,796
Taxes and licenses	12,221,591	10,078,997	11,365,198
Input VAT written-off	9,441,987	9,368,058	9,188,169
Operating supplies	7,634,110	4,573,982	3,128,526
Utilities	6,512,230	5,443,778	4,431,763
Collection fees	3,472,889	2,741,702	1,694,143
Representation	3,313,127	3,742,336	3,653,490
Communication	2,721,738	2,619,047	2,499,691
Linen and laundry	1,778,475	808,020	3,055
Retirement cost	1,583,344	2,009,356	2,411,580
Insurance	1,418,152	1,289,734	1,205,430
Professional fees	1,356,289	2,327,406	2,243,371
Others	2,183,907	3,032,889	2,418,574
	152,682,731	133,700,755	121,946,238

Collection fees pertain to commissions for the members' payments using credit cards or electronic payment channels.

Other general and administrative expenses comprised of car maintenance, expenses relating to pest control, and costs for promotional, advertising and recruitment activities of the Club.

15 Other income, net

The components of other income, net for the years ended December 31 are as follows:

	Note	2023	2022	2021
Late payment charges	3	3,739,554	5,461,968	1,689,573
Foreign exchange gain (loss), net		(2,142)	65,791	57,764
(Loss) on sale from disposal of property		-	(25,000)	-
Miscellaneous		10,139,371	2,936,573	423,492
		13,876,783	8,439,332	2,170,829

In 2023, miscellaneous income is primarily composed of the reversal of the unutilized golfers' insurance and hole-in-one contribution, and collection of registration fees for Philippine Golf Course Management Conference (2022 - reversal of unclaimed playing rights deposit and long outstanding payables; 2021 - insurance claim from damaged mango trees). This account also includes penalties collected from suppliers, entry fees for membership activities and various sales on banquet functions and events.

16 Retirement benefit obligation

The Club has a funded, non-contributory defined benefits retirement plan, administered by a trustee, covering all of its regular and full-time employees. The Club recognizes the amount of retirement benefits that need to be accrued following the minimum retirement benefit required by Republic Act 7641 (the "Act"). An independent actuary conducted an actuarial valuation of the funded defined benefit plan using the projected unit credit cost method based on the provisions of the Act. The plan provides for lump sum benefit payment upon retirement. Contributions and costs are determined in accordance with the actuarial study made for the plan.

Actuarial valuation is performed by an independent actuary using the projected unit credit method on an annual basis and based on retirement age of 60.

The reconciliation of the present value of the defined benefits obligation and the fair value of the plan assets is as follows:

	2023	2022
Present value of obligation	62,870,342	54,059,545
Fair value of plan assets	(52,189,756)	(49,784,157)
	10,680,586	4,275,388

Movements in the present value of defined benefit obligation for the years ended December 31 is as follows:

	2023	2022
Beginning balance	54,059,545	54,347,504
Current service cost	2,440,292	3,299,509
Interest cost	3,724,703	2,777,157
Benefits paid	(1,055,102)	(924,009)
Remeasurement loss (gain) from:		
Experience adjustment	404,609	4,622,459
Demographic assumptions	-	(942,924)
Financial assumptions	3,296,296	(9,120,151)
Ending balance	62,870,343	54,059,545

Movements in the fair value of plan assets for the years ended December 31 is as follows:

	2023	2022
Beginning balance	49,784,157	48,137,505
Contributions	-	2,500,000
Interest income	3,430,128	2,459,827
Remeasurement loss	(1,024,529)	(3,313,175)
Ending balance	52,189,756	49,784,157

Retirement benefit expense recognized in the statements of total comprehensive income for the years ended December 31 consist of:

	2023	2022	2021
Current service cost	2,440,292	3,299,509	4,207,990
Interest on the net liability	294,575	317,330	491,096
	2,734,867	3,616,839	4,699,086

The movements in the reserve for remeasurement of retirement benefits on the statements of financial position for the years ended December 31 are as follows:

	2023	2022
Balance at beginning of the year	5,866,381	7,993,822
Remeasurement gain for the year	4,725,434	(2,127,441)
Balance at end of the year	10,591,815	5,866,381

The Club's retirement fund is maintained and managed by a trustee bank.

The major categories of the fair value of the plan assets as at December 31 are as follows:

	2023	2022
Assets:		
Unit investment trust fund	52,252,520	49,838,327
Cash in bank	3,049	8,129
Liability:		
Accrued trust fee payable	(65,813)	(62,299)
	52,189,756	49,784,157

Retirement benefits are payable in the event of termination of employment due to: (i) early, normal, or late retirement; (ii) physical disability; or (iii) involuntary separation from service. For plan members retiring under normal, early or late terms, retirement benefit is equal to a percentage of final monthly salary for every year of credited service.

The principal assumptions used to determine pension obligations are as follows:

	2023	2022	2021
Discount rate	6.02%	6.89%	5.11%
Salary increase rate	6.00%	6.00%	6.00%

Discount rate

The discount rate is determined by reference to yields on long-term Philippine Treasury Bonds and adjusted to reflect the term similar to the estimated term of the benefit obligation as determined by the actuary as at the end of the reporting period as there is no deep market in high quality corporate bonds in the Philippines.

All expected benefit payments are discounted using various rates that correspond to the timing of benefits payments, after which, a single discount rate is computed considering the aggregate amount of all discounted values.

Salary rate increases

This is the expected long-term average rate of salary increase taking into account inflation, seniority, promotion and other market factors. Salary increases comprise of the general inflationary increases plus a further increase for individual productivity, merit and promotion. The future salary increase rates are set by reference over the period over which benefits are expected to be paid.

Demographic assumptions

Actuarial assumptions also include turnover rates of the Club's employees which are generally based on Group Annuity Mortality Table prepared by the actuary.

Assumptions regarding mortality experience are set based on advice from published statistics and experience.

Expected maturity analysis

	2023	2022
Less than 1 year	5,376,164	5,233,528
Between 1 year to 2 years	6,806,515	2,947,252
Between 2 year to 5 years	29,954,744	24,654,151
Between 6 years to 10 years	34,245,260	39,258,544
	76,382,683	72,093,475

The average duration of the defined benefits obligation as at December 31, 2023 is 12 years (2022 - 10 years).

Critical accounting estimates and assumptions: Retirement benefit obligation

The present value of the retirement benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement benefit include the discount rate and future salary increases. Any changes in these assumptions will impact the carrying amount of retirement benefit obligation.

The Club determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligation. In determining the appropriate discount rate, the Club considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligation and related retirement benefit expense.

Other key assumptions in determining retirement benefit obligation are based in part on current market conditions.

The sensitivities regarding the principal assumptions used to measure the net defined benefit liability is as follows:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
<i>December 31, 2023</i>			
Discount rate	+/-1%	(3,763,266)	4,246,171
Salary increase rate	+/-1%	4,175,971	(3,827,611)
<i>December 31, 2022</i>			
Discount rate	+/-1%	(3,376,293)	3,791,205
Salary increase rate	+/-1%	3,785,589	(3,460,774)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statements of financial position.

17 Income tax

In accordance with the Supreme Court (SC) ruling dated June 26, 2020 in the case of non-profit club organization versus Commissioner of Internal Revenue (CIR) (G.R. No.228539), the SC declared that membership fees, assessment dues, and fees of similar nature collected by the clubs which are organized and operated exclusively for pleasure, recreation, and other non-profit purposes do not constitute as income of recreational clubs from whatever source that are subject to income tax and part of the gross receipts of recreational clubs that are subject to value added tax (VAT). Accordingly, Revenue Memorandum Circular No. 35-2012 should be interpreted in accordance with this decision.

The Club's provision for income tax for the year ended December 31, 2023 amounted to P4,785,840 (2022 - P591,568; 2021 - P300,540).

Corporate Recovery and Tax Incentives for Enterprises Act (CREATE)

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) bill was signed into law by the President of the Philippines. This resulted in the reduction of the corporate income tax to 25% for domestic corporations with assets amounting to P100,000,000 and above, and with taxable income equivalent to P5,000,000 and above. The minimum corporate income tax (MCIT) rate was also reduced to one percent (1%) of gross income as defined under the regulation effective July 1, 2020 until June 30, 2023.

Deferred income tax liability

The deferred income tax (DIT) liability amounting to P2,035,350,850 (2022 - P2,035,350,850) pertains to the tax effect of cumulative revaluation increment on land (Note 7).

Unrecognized deferred income tax assets

DIT assets have not been recognized since the management assesses that the Club may not have sufficient taxable income in the future for it to be able to realize the benefits of the related deferred income tax assets:

	2023	2022
To profit or loss:		
Allowance for doubtful accounts	11,501,802	11,522,185
Past service cost	2,313,433	3,047,873
Carryforward benefits of MCIT	892,108	1,337,410
Net operating loss carry-over (NOLCO)	-	91,747
Retirement benefit obligation, net of remeasurement	1,322,000	(397,748)
Others	22,193	822,000
	16,051,536	16,423,467
To other comprehensive income (OCI)		
Remeasurement loss on retirement plan	2,647,954	1,466,595
	18,699,490	17,890,062

In compliance with the Tax Reform Act (Act) of 1997, NOLCO for any taxable year shall be carried over as deduction from taxable income for the next three (3) consecutive taxable years immediately following the year of such loss, prior to 2021.

In 2020, pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss.

Details of the Club's NOLCO are as follows:

Year incurred	2022	Applied during the year	2023	Expiry date
2020	366,989	(366,989)	-	2025
	25%	25%	25%	
	91,747	(91,747)	-	

In compliance with the tax regulations, the Club shall pay the greater of MCIT and Regular Corporate Income Tax (RCIT), starting 2021. Any excess of MCIT over the RCIT shall be carried forward for the next three consecutive taxable years immediately following the year such MCIT was paid.

Details of the Club's excess of MCIT over RCIT are as follows:

Year incurred	2022	Applied during the year	2023	Expiry date
2020	445,302	445,302	-	2023
2021	300,540	-	300,540	2024
2022	591,568	-	591,568	2025
	1,337,410	445,302	892,108	

The reconciliation of the benefit from income tax computed at the statutory income tax rate to the provision for income tax for the years ended December 31 as shown in profit or loss are as follows:

	2023	2022	2021
Excess of receipts over expenses before income tax	40,202,392	34,577,640	4,241,769
Statutory tax rate	25%	25%	25%
Tax at statutory rate	10,050,598	8,644,410	1,060,442
Change in unrecognized DIT assets	73,371	(4,163,741)	8,099,556
Non-deductible expenses	45,840,370	42,936,453	35,432,916
Non-taxable receipts	(49,808,954)	(46,644,816)	(44,185,415)
Income subject to final tax	(1,369,545)	(180,738)	(106,959)
	4,785,840	591,568	300,540

Critical accounting judgment: Recognition of deferred income tax assets

PFRS requires the recognition of DIT assets to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Determining the realizability of DIT assets requires the estimation of profits expected to be generated from operations when the temporary differences are expected to reverse or to be utilized.

As at each reporting period, management assessed that the Club will not generate sufficient future taxable profits to realize the DIT assets.

18 Related party transactions

Key management compensation for the years ended December 31 consists of:

	Terms and conditions	2023	2022	2021
Salaries and wages	Key management compensation covering salaries, wages and other short-term benefits are determined based on contract of employment and payable in accordance with the Club's payroll period.	17,163,512	15,696,639	14,546,992
Retirement benefit expense		942,060	1,209,685	1,266,251
		18,105,572	16,906,324	15,813,243

The Club has not provided share-based payment, termination benefits and other long-term employee benefits, except for retirement benefits, to its key management personnel for the years ended December 31, 2023, 2022 and 2021.

19 Contingencies

The Club is currently a party to certain lawsuits arising from the ordinary course of business. The estimate of the probable costs for the resolution of these claims has been developed in a consultation with outside counsels handling the defense in these matters and is based upon an analysis of potential results. The Club's management and its legal counsel believe that the lawsuit and claims will not have material effect on the Club's financial position and performance. Further, the Club has assessed that it is not probable that an outflow of resources will be required to settle the obligation. Accordingly, no provision for probable losses arising from legal contingencies was recognized in the financial statements as at December 31, 2023 and 2022.

Critical accounting estimates and assumptions: Contingencies

The Club is currently involved in legal proceedings. Estimates of the probable costs for the resolution of these claims, if any, has been developed in consultation with internal and external legal counsels handling the Club's defense in these matters and is based upon the probability of potential results. The Club's management currently believes that these proceedings will not have a material effect on the consolidated financial statements considering terms of contracts and agreements with previous shareholders as discussed above. It is possible, however, that future results of operations could be materially affected depending on the actual outcome of the proceedings.

20 Critical accounting estimates, assumptions and judgments

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

The Club makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A Critical accounting estimates and assumptions

- Expected credit loss (ECL) on receivables (Note 3)
- Estimated useful life of property and equipment (Note 6)
- Fair value estimation of land (Note 7)
- Retirement benefit obligation (Note 16)
- Contingencies (Note 19)

b) Critical judgments in applying the Club's accounting policies

- Determination of impairment of non-financial assets (Note 6)
- Recognition of deferred income tax assets (Note 17)

21 Financial risk and capital management

The Club's activities expose it to a number of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or a combination of risks. The Club's objective is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Club's financial performance.

Risk management is carried out by management under the direction of the Club's Board of Directors (BOD). The BOD, through the recommendation of the Finance Committee, reviews and approves written principles for overall risk management, as well as written policies and procedures covering specific areas, such as credit risk and liquidity risk. These policies and procedures enable management to make strategic and informed decisions with regard to the operations of the Club.

Components of financial assets and financial liabilities and related risk factors

Details of the Club's financial assets at amortized cost at December 31 are as follows:

	Notes	2023	2022
Cash and cash equivalents	2	141,045,110	77,146,915
Receivables, gross of allowance	3	65,769,556	64,117,207
		206,814,666	141,264,122

Receivables are presented gross of allowance for doubtful account as at December 31, 2023 amounting to P46,007,209 (2022 - P46,088,742). Prepayments and other current assets and other non-current assets as at December 31, 2023 amounting to P12,281,455 and P8,057,560, respectively, are considered as non-financial assets (2022 - P16,114,244 and P3,119,860, respectively).

Details of financial liabilities at amortized cost as at December 31 are as follows:

	Notes	2023	2022
Accounts payable and other current liabilities	8	75,937,914	50,572,965
Deposit from assignees and others	9	13,978,330	11,880,849
		89,916,244	62,453,814

Accounts payable and other liabilities as at December 31, 2023 exclude payable to government agencies amounting to P5,050,960 (2022 - P3,148,300) and deposit for re-acquired shares amounting to P22,250,000 (2022 - P13,495,000) as these are not considered as financial liabilities. Contract liabilities as at December 31, 2023 amounting to P11,050,328 (2022 - P9,043,816) which pertain to advances received from members and customers for food and beverage, golf rentals, and other Club facilities are not considered as financial liabilities.

The carrying values of cash, receivables, accounts payable and other liabilities (excluding payable to government agencies), approximate fair values due to its relatively short-term maturity.

21.1 Credit risk

The principal financial risk faced by the Club is credit risk from its cash and receivables. Credit risk arises when a customer or counterparty fails to discharge an obligation and causes the Club to incur a financial loss. The maximum exposure to credit risk at reporting periods is the carrying value of financial assets.

The Club applies the PFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables and the general approach is applied for cash and non-trade other receivables.

The table below shows the maximum exposure to credit risk for the Club's financial assets, without taking account of any collateral and other credit enhancements:

	Notes	2023	2022
Cash and cash equivalents*	2	140,545,110	76,646,915
Receivables:	3		
Receivable from members		49,753,929	51,185,509
Advances to officers and employees		3,676,662	4,855,571
Receivable from credit card companies		1,648,021	1,773,597
Receivable from concessionaires		528,658	571,285
Others		10,162,286	5,731,245
Total credit risk exposure		206,314,666	140,764,122

*Excluding cash on hand amounting to P500,000.

The analysis of financial assets are as follows:

	Neither past due nor impaired	1-30 days	31-60 days	Impaired	Total
2023					
Cash and cash equivalents*	140,545,110	-	-	-	140,545,110
Receivables from members	3,296,005	1,476,934	2,397,976	42,583,014	49,753,929
Advances to officers and employees	3,637,805	-	-	38,857	3,676,662
Credit card	1,321,007	-	-	327,014	1,648,021
Concessionaire	528,658	-	-	-	528,658
Others	6,284,157	466,230	353,575	3,058,324	10,162,286
	155,612,742	1,943,164	2,751,551	46,007,209	206,314,666
2022					
Cash and cash equivalents*	76,646,915	-	-	-	76,646,915
Receivables from members	2,403,260	1,374,876	2,058,847	45,348,526	51,185,509
Advances to officers and employees	4,735,905	-	-	119,666	4,855,571
Credit card	1,446,583	-	-	327,014	1,773,597
Concessionaire	445,285	-	126,000	-	571,285
Others	1,602,031	3,387,210	448,468	293,536	5,731,245
	87,279,979	4,762,086	2,633,315	46,088,742	140,764,122

It is the Club's policy that any individual or corporation who wishes to become a member or assignee be subjected to strict membership qualification screening. Receivables are monitored on an ongoing basis and it is the Club's policy that receivables from members outstanding for more than 90 days be provided with 100% allowance for impairment. Shares with substantial delinquent balances are being auctioned in accordance with the Club's policy.

The table below shows the credit quality of the Club's receivables based on their historical experience with the corresponding third parties.

	Neither past due nor impaired - high	Past due but not impaired -standard	Impaired	Total
2023				
Cash and cash equivalents*	140,545,110	-	-	140,545,110
Receivable from members	3,296,005	3,874,910	42,583,014	49,753,929
Advances to officers and employees	3,637,805	-	38,857	3,676,662
Credit card	1,321,007	-	327,014	1,648,021
Concessionaire	528,658	-	-	528,658
Others	6,284,157	819,805	3,058,324	10,162,286
	155,612,742	4,694,715	46,007,209	206,314,666
2022				
Cash and cash equivalents*	76,646,915	-	-	76,646,915
Receivable from members	2,403,260	3,433,723	45,348,526	51,185,509
Advances to officers and employees	4,735,905	-	119,666	4,855,571
Credit card	1,446,583	-	327,014	1,773,597
Concessionaire	445,285	126,000	-	571,285
Others	1,602,031	3,835,678	293,536	5,731,245
	87,279,979	7,395,401	46,088,742	140,764,122

Receivables classified as "high" grade are those with high probability of collection. "Standard" grade covers accounts with customers having unpredictable and irregular payment behavior and those with pending payment negotiations.

Cash and cash equivalents are deposited in top ten banks in the Philippines, hence, considered high grade.

21.2 Liquidity Risk

Liquidity risk arises from the possibility that the Club may encounter difficulties in raising funds to meet or settle its obligations at a reasonable price.

The Club monitors its risk to a shortage of funds through monitoring of financial assets and projected cash flows from operations. The Club's objectives to manage its liquidity profile are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost.

The Club manages its liquidity risk by maintaining financial position strength and quality where debt-to-equity ratio should not exceed 1:1. The Club also maintains a financial strategy that the scheduled debts are well within the Club's ability to generate cash from its business operations.

The table below summarizes the maturity profile of the Club's financial liabilities based on contractual undiscounted payments:

<i>At December 31, 2023</i>	Notes	Carrying Amount	Within 12 Months	Beyond 12 Months
Trade payables:	8			
Third parties		28,387,670	28,387,670	-
Related parties		759,972	759,972	-
Due to members		14,917,981	14,917,981	-
Deposit from assignees and others	9	13,978,330	11,558,330	2,420,000
Accrued expenses		11,916,374	11,916,374	-
Consignment and due to concessionaires		8,154,614	8,154,614	-
Others		11,801,303	11,801,303	-
		89,916,244	87,496,244	2,420,000
<i>At December 31, 2022</i>				
Trade payables:	8			
Third parties		13,393,404	13,393,404	-
Related parties		226,604	226,604	-
Due to members		17,851,157	17,851,157	-
Deposit from assignees and others	9	11,880,849	10,430,849	1,450,000
Accrued expenses		8,380,409	8,380,409	-
Consignment and due to concessionaires		8,100,253	8,100,253	-
Others		2,621,138	2,621,138	-
		62,453,814	61,003,814	1,450,000

21.3 Capital Management

The primary objective of the Club's capital management is to safeguard the Club's ability to continue as a going concern, so that it can continue to provide service to its members and benefits for other stakeholders.

The Club monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as total liabilities divided by total equity.

The Club's strategy, which was unchanged from prior period, was to maintain the debt-to-equity ratio not exceeding 1:1. The debt-to-equity ratio is as follows:

	2023	2022
Total current liabilities	125,847,533	86,690,930
Total non-current liabilities	2,048,451,436	2,041,076,238
Total liabilities (a)	2,174,298,969	2,127,767,168
Total equity (b)	6,751,797,652	6,705,205,946
Debt-to-equity ratio (a/b)	0.32:1	0.32:1

22 Fair value measurement

Details of the Club's asset measured at fair value as at December 31, 2023 and 2022 follows:

Land	Total	Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Input	Level 3 Significant Unobservable Input
2023	8,268,882,000	-	-	8,268,882,000
2022	8,268,882,000	-	-	8,268,882,000

The carrying value of the Club's financial assets and liabilities approximate their fair values as at December 31, 2023 and 2022 due to the short-term nature of these financial instruments.

23 Summary of material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

23.1 Basis of preparation

These financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

The financial statements have been prepared on a historical cost basis of accounting except for land which is measured at the revalued amount and net retirement benefits liability which is measured at the present value of defined benefits obligation less the fair value of the plan assets.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are summarized in Note 20.

23.2 Changes in accounting policies and disclosures

New and amended standards adopted by the Club

The Club has applied Amendments to PAS 1 and PFRS Practice Statement 2 - Disclosure of Accounting Policies for the first time for the financial year beginning January 1, 2023. The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

The amendments impacted the disclosure of material accounting policies.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Club. These standards, amendments or interpretations are not expected to have a material impact on the Club in the current or future reporting periods and on foreseeable future transactions.

23.3 Financial assets

Classification and presentation

23.3.1 Classification

The Club classifies its financial assets in the following measurement categories:

- (a) those measured subsequently at fair value [either through OCI (FVOCI) or through profit or loss (FVTPL)]; and*
- (b) those measured at amortized cost.*

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows. The Club did not hold financial assets under category (a) during and as at December 31, 2023 and 2022. The Club's financial assets under category (b) includes cash and cash equivalents (Note 2) and receivables (Note 3).

23.3.2 Impairment

The Club assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Club are measured on either of the following bases:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Club applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with PFRS 15.

Additionally, the Club elects an accounting policy to recognize full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with PFRS 15.

General approach

The Club applies the general approach to provide for ECLs on non-trade receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Club assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and includes forward-looking information.

The Club considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk.

23.3.3 Credit-impaired financial assets

At each reporting date, the Club assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

23.4 Financial liabilities

Classification

The Club classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

Financial liabilities at fair value through profit or loss have two sub-categories: (i) financial liabilities classified as held for trading; and (ii) financial liabilities designated by the Club as at fair value through profit or loss upon initial recognition.

The Club does not have financial liabilities at fair value through profit or loss.

The Club's financial liabilities at amortized cost consist mainly of accounts payable and other liabilities (except payable to government agencies and liabilities from special assessments) (Note 8) and deposits from assignees and others (Note 9).

23.5 Fair value measurement

Non-financial assets

For non-financial assets, the Club uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

Significant non-financial asset of the Club is land which is carried at fair value under Level 3 hierarchy.

The Club has no other significant non-financial assets and liabilities carried at fair value.

23.6 Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

23.7 Receivables

Receivables arising from regular service, with average credit term of 30 to 90 days, are initially recognized at transaction price and subsequently measured at amortized cost less provision for impairment, if any.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment, if any.

The relevant policies on classification, recognition, measurement, impairment and derecognition are further disclosed in Note 23.

23.8 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Land is not depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of years
Land improvements	5 to 10 buildings and structures
Buildings	47
Facilities and equipment	3 to 10
Furniture and fixtures	5
Kitchen equipment	5

The residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end to ensure that the residual values, periods and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use.

Construction in-progress represents properties under construction and is stated at cost. This includes costs of construction and other direct costs. Construction in-progress is not depreciated until such time as the relevant assets are completed and are put into operational use.

Land at revalued amount

Land is initially measured at cost which consist of the purchase price and any directly attributable cost.

Land is subsequently measured at revalued amount less any accumulated impairment in value and subsequently measured using the revaluation method. Land is not depreciated.

Revalued amounts are determined through the appraisal of an external, independent and SEC-accredited appraisal company. Revaluations are made in every two years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net appraisal increment resulting from the revaluation was credited to "Revaluation increment on land" account shown in the members' equity section of the statement of financial position and the statement of changes in members' equity.

Any decrease in the carrying amount resulting from a revaluation is recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income (OCI) also reduces the "Revaluation increment on land" account in the members' equity section of the statement of financial position.

23.9 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land at revalued amount, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

23.10 Contract liabilities and deposits from assignees and others

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities also include payments received by the Club from the customer for which revenue recognition has not yet commenced.

Deposits from assignees and others

Deposits from assignees and others represent refundable deposits from assignees for playing rights and deposits from food and beverage concessionaires. Deposits from assignees are being recognized by the Club once the member assigned its playing rights to the assignee. These are refundable at the end of assignment term.

23.11 Employee Benefits

Net retirement benefits liability

The net defined benefits liability is the aggregate of the present value of the defined benefits obligation (DBO) at the end of the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefits asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefits plans is actuarially determined using the projected unit credit method.

Defined benefits costs comprise the following:

- (a) Service cost
- (b) Net interest on the net defined benefits liability or asset
- (c) Remeasurements of net defined benefits liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefits liability or asset is the change during the period in the net defined benefits liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefits liability or asset. Net interest on the net defined benefits liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise.

23.12 Capital stock

Capital stock has no par value. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Proceeds and/or fair value of consideration received are recognized as capital stock.

Excess of proceeds over cost from re-issuance of shares of delinquent members

Excess of proceeds over cost from re-issuance of shares of delinquent members is the excess between the consideration received and the cost of reacquired shares from delinquent members.

Shares of delinquent members acquired through auctions

This represents the shares of delinquent members which were acquired by the Club through auctions pursuant to the Club's Article of Incorporation and By-laws in settlement of member's long outstanding receivables.

Cumulative excess of expenses over receipts

Cumulative excess of expenses over members' contribution and fees includes current and prior years' results, net of transactions with shareholders, if any.

Other comprehensive income (OCI)

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS.

23.13 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. Revenue is recognized when the Club satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The Club assesses its revenue against specific criteria in order to determine if it is acting as principal or agent. The Club has concluded that, it is the principal in all of its revenue arrangements since it is the primary obligor in the revenue arrangements, has pricing latitude and is also exposed to inventory risks.

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

Membership Dues. Membership dues are billed one month in advance and are recognized over time when earned and when no significant doubt as to its collectability exists. Advance collection of membership dues are recognized as "Contract liabilities" account in the statement of financial position.

Assignment fees. Assignment fees are revenue related to playing rights being transferred from a member to an assignee for a period of time. These are recognized over time when services related to the assignment of playing rights are rendered.

Transfer Fees. Transfer fees represent income from registration of transfer of ownership of a golf share in the Club's stock and transfer book. Revenues are recognized over time when services related to the transfer of ownership are rendered.

Green Fees. Revenue from the use of the Club's golf course by non-members is recognized over time when the golf course is used.

Tournament fees. Tournament fees represent income from the use of the Club's golf course and amenities and are recognized at a point in time when the golf course and amenities are used.

Grand raffle tickets. Revenue is recognized at point in time when the customers receive raffle tickets which coincides with the receipt and acknowledgement of the customer on the same day of the grand raffle event.

Recreational Facilities Fees and Facilities Rental. Revenue from the use of the Club's facilities is recognized over time when facilities are used.

Pro Shop Sales and Pro Shop Commission. Revenue is recognized at point in time when customer obtains control of the goods which coincides with the receipt and acknowledgment of the customer of the goods. Commission is computed as a certain percentage of the consignor's selling price.

Concessionaire's Fee. Income derived from entities allowed to do business within the Club premises are recognized in accordance with the terms of the agreement. Commission is recognized over time and is computed as a certain percentage of the sales of the concessionaire.

Interest Income. Revenue is recognized as the interest accrues and collection is reasonably assured.

Miscellaneous Income. Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

23.14 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset even if the right is not explicitly specified in the arrangement.

Club as a Lessor

Leases where the Club does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

23.15 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

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

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

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

23.16 Provisions

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where that Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect management's current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

23.17 Contingencies

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

24 Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010:

(i) Output VAT

Output VAT declared for the year ended December 31, 2023 and the gross revenues upon which the same was based consist of:

	Gross amount of revenues	Output VAT declared
Subject to 12% VAT	231,141,018	20,241,359
Sale to government	-	-
Exempt	80,817	-
Zero rated	200,726,856	-
Total	431,948,691	20,241,359

(ii) *Input VAT*

Movement in input VAT for the year ended December 31, 2023 is as follows:

Beginning of the year	-
Current year's domestic purchases:	-
Purchases of Capital Goods not exceeding 1 million	-
Purchases of Capital Goods exceeding 1 million	4,230,354
Domestic purchases of goods other than capital goods	6,027,676
Domestic purchase of services	21,598,402
Capital goods subject to amortization	1,046,411
Less deductions from input VAT:	
Input Tax on Purchases of Capital Goods exceeding 1million	(518,710)
Input tax allocated to exempt sales	(9,441,987)
Application against output VAT	(22,942,147)
End of the year	-

(iii) *Importations*

The Club has no importations for the year ended December 31, 2023, hence no tariffs and custom duties paid.

(iv) *Excise taxes*

The Club is not engaged in the manufacture or production of certain specified goods or articles subject to excise tax for domestic sale or consumption or for any other disposition.

(v) *Documentary stamp taxes*

The Club did not pay for any documentary stamp taxes for the year ended December 31, 2023.

(vi) *All other local and national taxes*

All other local and national taxes paid for the year ended December 31, 2023 consists of:

Real property taxes	8,839,341
Licenses and permit fees	2,053,643
	10,892,984

(vii) Withholding taxes

Withholding taxes accrued and paid as at and for the year ended December 31, 2023 consists of:

	Paid	Accrued	Total
Withholding tax on compensation	3,895,219	432,805	4,328,024
Expanded withholding tax	4,653,101	435,748	5,088,849
Final withholding tax	290,078	1,644,643	1,934,720
	8,838,398	2,513,196	11,351,593

(viii) Tax assessments

The Club settled outstanding tax assessment for taxable year 2021 amounting to P2,038,136.

Other than the above, the Club did not receive any Final Assessment Notice for the year ended December 31, 2023.

(ix) Tax cases

The Club did not have any outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2023.

The Orchard Golf & Country Club, Inc.

**Financial Statements with Supplementary Schedules
for the Securities and Exchange Commission
December 31, 2023**

SECOND SECTION

SCHEDULE A

The Orchard Golf & Country Club, Inc.

Financial Assets
December 31, 2023

Title of Issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Value based on market quotation at end of reporting period	Income received and accrued
Cash on hand	Not applicable	500,000	Not applicable	-
Cash in banks				
Bank of Commerce	Not applicable	177,692	Not applicable	30
BDO Unibank, Inc.	Not applicable	17,336,997	Not applicable	6,181
China Banking Corporation	Not applicable	10,654,958	Not applicable	18,625
Bank of the Philippine Islands	Not applicable	3,137,533	Not applicable	1,416
Short-term deposits				
Bank of Commerce	Not applicable	5,000,000	Not applicable	77,662
BDO Unibank, Inc.	Not applicable	42,045,181	Not applicable	3,154,409
China Banking Corporation	Not applicable	30,944,868	Not applicable	971,973
Bank of the Philippine Islands	Not applicable	31,247,881	Not applicable	1,247,881
Total cash and cash equivalents		141,045,110		5,478,177
Receivables	Not applicable	19,762,347	Not applicable	3,960,475
Total financial assets		160,807,457		9,438,652

SCHEDULE B

The Orchard Golf & Country Club, Inc.

Amounts Receivable from Directors, Officers, Employees, Related Parties
and Principal Shareholders (other than Related Parties)
December 31, 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
Various officers and employees	4,855,571	4,065,616	5,244,525	-	3,676,662	-	3,676,662

SCHEDULE C

The Orchard Golf & Country Club, Inc.

Amounts Receivable from Related Parties which are eliminated
during the consolidation of financial statements
December 31, 2023

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of year
Not applicable							

SCHEDULE D

The Orchard Golf & Country Club, Inc.

Long-Term Debt
December 31, 2023

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under "Borrowing, current portion" in the statement of financial position	Amount shown under "Borrowing, net of current portion" in the statement of financial position
Not applicable			

SCHEDULE E

The Orchard Golf & Country Club, Inc.

Indebtedness to Related Parties
December 31, 2023

Name of related party	Balance at beginning of year	Balance at end of year
Various related parties	226,604	759,972

SCHEDULE F

The Orchard Golf & Country Club, Inc.

Guarantees of Securities of Other Issuers
December 31, 2023

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
Not applicable				

SCHEDULE G

The Orchard Golf & Country Club, Inc.

Capital Stock
December 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Class A	1,800	1,800	-	-	7	1,793
Class B	700	700	-	-	-	700
Class C	500	500	-	-	-	500

The Orchard Golf & Country Club, Inc.

Schedule of Financial Soundness Indicator
December 31, 2023 and 2022

Ratio	Formula	2023	2022
Current Ratio	Total current assets	176,597,680	114,167,367
	Divided by: Total current liabilities	125,847,533	86,690,930
	Current ratio	1.40	1.32
Acid test ratio	Total current assets	176,597,680	114,167,367
	Less: Other current assets	15,790,223	18,991,987
	Quick assets	160,807,457	95,175,380
	Divided by: Total current liabilities	125,847,533	86,690,930
	Acid test ratio	1.28	1.10
Solvency ratio	Profit (loss) after tax	35,416,552	33,986,072
	Add: Depreciation expense	46,439,826	41,746,221
	Income after tax, before depreciation	81,856,378	75,732,293
	Divided by: Total liabilities	2,174,298,969	2,127,767,168
	Solvency ratio	0.04	0.04
Debt-to-equity ratio	Total liabilities	2,174,298,969	2,127,767,168
	Divided by: Total equity	6,751,797,652	6,705,206,534
	Debt-to-equity ratio	0.32	0.32
Asset-to-equity ratio	Total assets	8,926,096,621	8,832,973,702
	Divided by: Total equity	6,751,797,652	6,705,206,534
	Asset-to-equity ratio	1.32	1.32
Interest rate coverage ratio	Profit (loss) before interest and tax	40,202,392	34,577,640
	Divided by: Interest expenses	-	-
	Interest rate coverage ratio	N/A	N/A
Return on equity	Profit (loss) after tax	35,416,552	33,986,072
	Divided by: Average total equity	6,728,502,093	6,325,510,631
	Return on equity	0.005	0.005
Return on asset	Profit (loss) after tax	35,416,552	33,986,072
	Divided by: Average total assets	8,879,535,162	8,334,746,798
	Return on asset	0.004	0.004
Net profit margin	Profit (loss) after tax	35,416,552	33,986,072
	Divided by: Net revenue	360,256,067	305,129,432
	Net profit margin	0.10	0.11

COVER SHEET

A S O 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 . (A N o n p r o f i t O r g a n i z a t i o n)

(Club'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 N A S C I T Y , C A V I T E

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

Atty. Chiles Megan M. Areño

(Contact Person)

7919-4643

(Club Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

1 7 - Q

(Form Type)

1 0 1 4

Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

2,657

Total No. of Stockholders

None

Domestic

None

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purpose

SEC Number
File Number

ASo92-000798

COVER SHEET

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A NONPROFIT ORGANIZATION)

(Company's Full Name)

**Km. 27 Aguinaldo Highway, Salawag,
Dasmariñas City, Cavite 4114**

(Company's Address)

(02) 8982-2000

(Telephone Number)

December 31

(Year Ending)
(Month & day)

SEC FORM 17-Q

Form Type

SEC FORM 17-Q

Amendment Designation (if applicable)

March 31, 2024

Period Ended Date

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2024.**
2. Commission identification number **AS092-000798** 3. BIR Tax Identification No. **002-829-253**
4. Exact name of issuer as specified in its charter **The Orchard Golf & Country Club, Inc.**
5. Province, country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code: (SEC Use Only)
7. **Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite** **4114**
Address of issuer's principal office Postal Code
8. **(02) 8982-2000**
Issuer'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 8 and 12 of the Code, or 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 the securities listed on a Stock Exchange?

Yes [] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:

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

Yes [] No []

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

Yes [] No []

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.

Statements of Financial Position
Statements of Comprehensive Income
Statements of Changes in Equity
Statements of Cash Flow
Notes to Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

SIGNATURES

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

Registrant: THE ORCHARD GOLF & COUNTRY CLUB, INC.

Signature and Title:



Jose Ernilo P. Famy
General Manager & Chief Operating Officer
Date: May 6, 2024



Irene G. Patricio
Finance Manager
Date: May 6, 2024

SUBSCRIBED AND SWORN to before me this 07 MAY 2024 at Steamer City, Cavite
affiants exhibiting to me their respective Tax Identification Numbers, to wit:

Jose Ernilo P. Famy
Irene G. Patricio

TIN No. 107-081-014
TIN No. 305-589-772

Doc. No.: 67
Page No.: 14
Book No.: 001
Series of 2024



Atty. CRISANTO B. PASCUAL, JR.
Notary Public for Cavite Province
NP Case No. 00284-22 until 12-31-2024
Roll 37506 TIN 117568655 PTR 1871788
MCLE VII-00110354 / (9) / IBP O.R.# 248271

THE ORCHARD GOLF & COUNTRY CLUB, INC.

Financial Statements

As of March 31, 2024 (Unaudited) and December 31, 2023 (Audited)
And for the quarters ended March 31, 2024 and 2023 (Unaudited)

THE ORCHARD GOLF & COUNTRY CLUB, INC.*(A non-profit organization)*

STATEMENTS OF FINANCIAL POSITION

(All amounts in Philippine Peso)

		(Unaudited)	(Audited)
	NOTE	March 31, 2024	December 31, 2023
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	2	₱ 201,475,425	₱ 141,045,110
Receivables, net	3	17,451,121	19,762,347
Inventories	4	3,685,647	3,508,768
Prepayments and other current assets	5	12,352,585	12,281,455
Total current assets		234,964,778	176,597,680
Non-current assets			
Property and equipment, net	6	474,453,205	472,559,381
Land at revalued amount	7	8,268,882,000	8,268,882,000
Other non-current assets		13,560,204	8,057,560
Total non-current assets		8,756,895,409	8,749,498,941
Total assets		₱ 8,991,860,187	₱ 8,926,096,621
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Accounts payable and other current liabilities	8	₱ 98,179,091	₱ 103,238,874
Contract liabilities	9	71,389,280	11,050,329
Deposits from assignees and others	9	12,431,451	11,558,330
Total current liabilities		181,999,822	125,847,533
Non-current liabilities			
Deposits from assignees and others - net of current portion	9	2,420,000	2,420,000
Deferred income tax liability		2,035,350,850	2,035,350,850
Retirement benefit obligation	16	6,521,938	10,680,586
Total non-current liabilities		2,044,292,788	2,048,451,436
Total liabilities		2,226,292,610	2,174,298,969
Shareholders' equity			
Capital stock	10	1,083,103,341	1,083,103,341
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members		17,044,251	17,044,251
Shares of delinquent members acquired through auctions	11	(54,446,687)	(54,446,687)
Revaluation increments on land, net	7	6,106,052,550	6,106,052,550
Remeasurement on retirement benefits, net	16	(10,591,815)	(10,591,815)
Cumulative excess of expenses over receipts		(375,594,063)	(389,363,988)
Total shareholders' equity		6,765,567,577	6,751,797,652
Total liabilities and equity		₱ 8,991,860,187	₱ 8,926,096,621

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A non-profit organization)

STATEMENTS OF COMPREHENSIVE INCOME

(All amounts in Philippine Peso)

		(Unaudited)	
		Quarters Ended March 31	
	NOTE	2024	2023
Members' dues and fees			
Membership dues	12	₱ 36,410,500	₱ 36,131,083
Transfer and assignment fees	12	17,172,167	18,081,250
Total members' dues and fees		53,582,667	54,212,333
Revenues from clubhouse operations			
Green fees	12	20,374,213	17,780,520
Golf cart fees	12	10,868,932	10,477,831
Concessionaire's fee	12	2,469,795	2,607,385
Tournament fees	12	1,565,985	1,040,271
Alcoholic drink sales	12	1,337,600	1,035,314
Recreational facilities fees	12	1,233,815	1,247,975
Facilities rental	12	1,155,071	1,418,439
Practice range fees	12	812,567	855,959
Proshop commission	12	607,544	772,371
Proshop sales	12	437,353	468,484
Others - net	12	564,764	365,110
Total revenue from clubhouse operations		41,427,639	38,069,659
Total receipts		95,010,306	92,281,992
Cost of goods sold and services	13	(30,690,913)	(26,881,126)
Excess of receipts over cost before operating expenses, other income and depreciation expense		64,319,393	65,400,866
Operating expenses other than depreciation	14	(38,454,116)	(34,137,979)
Interest expense		-	(704,326)
Interest income	2	1,719,801	737,097
Provision for doubtful accounts	3	(1,650,397)	(1,754,194)
Other income, net	15	784,945	293,474
Excess of receipts and other income over costs and operating expenses other than depreciation expense		26,719,626	29,834,938
Depreciation expense	6	(12,762,201)	(11,150,632)
Excess of receipts over expenses before income tax		13,957,425	18,684,306
Income tax expense		(187,500)	(187,500)
Excess of receipts over expenses after income tax for the year		13,769,925	18,496,806
Basic and diluted earnings per share	10	₱ 5,183	₱ 6,990

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A non-profit organization)

STATEMENTS OF CHANGES IN EQUITY
(All amounts in Philippine Peso)

	NOTE	(Unaudited)	
		Quarters Ended March 31	
		2024	2023
Capital stock	10	₱ 1,083,103,341	₱ 1,083,103,341
Excess of proceeds over cost from re-issuance of shares of delinquent members		17,044,251	4,567,528
Shares of delinquent members acquired through auctions	11	(54,446,687)	(57,869,964)
Revaluation increment on land - net	7	6,106,052,550	6,106,052,550
Remeasurement on retirement benefits - net	16	(10,591,815)	(5,866,381)
Cumulative excess of expenses over members' contributions and fees		(375,594,063)	(406,283,733)
Total shareholders' equity		₱ 6,765,567,577	₱ 6,723,703,341

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A non-profit organization)

STATEMENTS OF CASH FLOWS
(All amounts in Philippine Peso)

(Unaudited)			
Quarters Ended March 31			
	NOTE	2024	2023
Cash flows from operating activities			
Excess of receipts over expenses before income tax		₱ 13,957,425	₱ 18,684,306
Adjustments for:			
Depreciation expense	6	12,762,201	11,150,632
Retirement benefit cost	16	841,352	1,672,586
Interest income	2	(1,719,801)	(737,097)
Excess of receipts over expenses before working capital changes		25,841,177	30,770,427
Decrease (increase) in:			
Receivables		2,311,226	1,459,060
Inventories		(176,879)	101,134
Prepayments and other current assets		(71,130)	1,228,657
Other non-current assets		(5,502,644)	(12,852,742)
Increase (decrease) in:			
Accounts payable and other current liabilities		(5,247,283)	17,545,800
Contract liabilities		60,338,951	55,409,169
Deposits from assignees and others		873,121	1,624,762
Cash generated from operations		78,366,539	95,286,267
Interest received	2	1,719,801	737,097
Contribution paid	16	(5,000,000)	-
Retirement benefits paid	16	-	(741,925)
Net cash from operating activities		75,086,340	95,281,439
Cash flows from investing activities			
Additions to property and equipment	6	(14,656,025)	(4,742,750)
Net cash used in investing activities		(14,656,025)	(4,742,750)
Net increase (decrease) in cash		60,430,315	90,538,689
Cash and cash equivalents at beginning of the year		141,045,110	77,146,915
Cash and cash equivalents at end of the period		201,475,425	167,685,604

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

Note 1 – General information

The Orchard Golf & Country Club, Inc. (the “Club”) was registered with the Philippine Securities and Exchange Commission (SEC) on February 5, 1992. The Club was established to promote social, educational and athletic activities on a non-profit basis among its members, the main objective of which is the maintenance of golf courses and related sports and recreational facilities.

The Club has a permit from the Philippine SEC to offer its securities for sale to the public consisting of 3,000 proprietary certificates, 7 shares of which are founders’ certificates while 2,993 shares are regular certificates.

The registered office address of the Club is Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite.

Note 2 – Cash and cash equivalents

Cash and cash equivalents as at March 31, 2024 and December 31, 2023 consist of:

	March 31, 2024	December 31, 2023
Cash on hand	₱ 500,000	₱ 500,000
Cash in banks	47,770,593	36,307,180
Short-term deposits	153,204,832	104,237,930
	₱ 201,475,425	₱ 141,045,110

Cash in banks earns interest at the respective bank deposit rates.

Short-term deposits are made for varying periods of up to three months depending on the immediate cash requirements of the Club and earn interest ranging from 4.40% to 4.90%.

Interest income earned from cash in banks and short-term deposits for the three months ended March 31, 2024 amounted to P1,673,419 (December 31, 2023 – P5,478,177). Other interest income amounting to P46,382 (December 31, 2023 – P220,921) is earned from loans provided to officers presented as part of advances to officers and employees (Note 16).

Note 3 – Receivables, net

Receivables, net as at March 31, 2024 and December 31, 2023 consist of:

	March 31, 2024	December 31, 2023
Receivables from members	₱ 51,308,349	₱ 49,753,929
Advances to officers and employees	3,657,478	3,676,662
Receivable from credit card companies	2,671,616	1,648,021
Receivable from concessionaires	511,578	528,658
Others	6,959,706	10,162,286
	₱ 65,108,727	₱ 65,769,556
Allowance for doubtful accounts	(47,657,606)	(46,007,209)
	₱ 17,451,121	₱ 19,762,347

Receivables from members are non-interest-bearing and have a 30 days' term subject to 3% penalty per month for unpaid amounts. Late payment charges for the first quarter ended March 31, 2024 amounting to P833,717 (December 31, 2023 – P3,739,554) are recognized in profit or loss within other income (Note 15).

Advances to officers and employees are non-interest-bearing and are collected through equal salary deductions over six (6) to twelve (12) months.

Receivable from concessionaires is non-interest-bearing and normally have a credit term of 30 days.

Other receivables are non-interest-bearing and normally have 30 to 90 days term.

The movements in the allowance for impairment of receivables for the three months ended March 31, 2024 and year ended December 31, 2023 are as follows:

		March 31, 2024		December 31, 2023
Beginning of the year	P	46,007,209	P	46,088,742
Provision for impairment of receivables		1,650,397		1,123,480
Write-off		-		(22,999)
Reversal		-		(1,182,014)
End of the year	P	47,657,606	P	46,007,209

Critical accounting estimates and assumptions: Expected credit losses (ECL) on receivables

Provision for impairment of receivables is maintained at a level considered adequate to provide for uncollectible receivables. Provision for impairment is calculated using expected credit losses (ECLs). ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Club used relevant historical information and loss experience to determine the probability of default of the receivables and incorporated forward-looking information, which involved significant estimates and judgements.

The Club also evaluates specific account of members, customers, and other counterparties who are unable to meet their financial obligations. In these cases, management uses judgment and assessment based on the best available facts, including but not limited to, the debtor's payment history and the result of the Club's follow-up action to recover overdue debts. Any change in the Club's assessment of the collectability of receivables could impact the recorded carrying amount of receivables and related provision for impairment.

Management believes that the recorded allowance as at each reporting period is sufficient to cover the receivables that are impaired and assessed to be uncollectible.

Note 4 – Inventories

Inventories as at March 31, 2024 and December 31, 2023 consist of:

		March 31, 2024		December 31, 2023
Golf operations and maintenance supplies	₱	1,406,130	₱	1,332,702
Proshop items		750,673		851,229
Office and computer supplies		570,098		499,077
Clubhouse maintenance supplies		474,276		431,472
Alcoholic Drinks		315,159		143,931
Other supplies		169,311		250,357
	₱	3,685,647	₱	3,508,768

Note 5 – Prepayments and other current assets

Prepayments and other current assets as at March 31, 2024 and December 31, 2023 consist of:

		March 31, 2024		December 31, 2023
Prepaid taxes	₱	9,004,685	₱	9,514,644
Prepaid supplies		3,347,900		2,766,811
	₱	12,352,585	₱	12,281,455

Prepaid tax pertains to excess tax credits of the Club which can be applied against future tax liability, and real property taxes paid by the Club in advance for year 2024.

Prepaid supplies include payments for prepaid insurance and advances to suppliers for golf course maintenance projects such as sprinklers replacement and bunker renovation.

Note 6 – Property and equipment, net

Details of property and equipment, net at March 31, 2024 and December 31, 2023 are as follows:

	Land improvements	Buildings and structures	Facilities and equipment	Furniture and fixtures	Kitchen equipment	Construction- in-progress	Total
At January 1, 2023							
Cost	₱ 608,069,332	₱ 376,361,887	₱ 483,925,093	₱ 21,956,225	₱ 2,121,657	₱ 9,369,507	₱1,501,803,701
Accumulated depreciation	(420,446,013)	(209,408,514)	(401,805,724)	(21,217,318)	(2,121,657)	-	(1,054,999,226)
Net carrying value	₱ 187,623,319	₱ 166,953,373	₱ 82,119,369	₱ 738,907	₱ -	₱ 9,369,507	₱ 446,804,475
Year ended December 31, 2023							
Opening net carrying value	₱ 187,623,319	₱ 166,953,373	₱ 82,119,369	₱ 738,907	₱ -	₱ 9,369,507	₱ 446,804,475
Additions	-	24,021,051	47,939,694	-	-	264,787	72,225,982
Depreciation	(10,253,214)	(13,999,230)	(21,6994,959)	(492,423)	-	-	(46,439,826)
Disposal							
Cost			(5,204,410)	(100,628)			(5,305,038)
Depreciation			5,173,160	100,628			5,273,788
Closing net carrying value	₱ 177,370,105	₱ 176,975,644	₱ 108,332,854	₱ 246,484	₱ -	₱ 9,634,294	₱ 472,559,381
At December 31, 2023							
Cost	₱ 608,069,332	₱ 400,383,388	₱ 526,660,377	₱ 21,855,597	₱ 2,121,657	₱ 9,634,294	₱1,568,724,645
Accumulated depreciation	(430,699,227)	(223,407,744)	(418,327,523)	(21,609,113)	(2,121,657)	-	(1,096,165,264)
Net carrying value	₱ 177,370,105	₱ 176,975,644	₱ 108,332,854	₱ 246,484	₱ -	₱ 9,634,294	₱ 472,559,381
Quarter ended March 31, 2024							
Opening net carrying value	₱ 177,370,105	₱ 176,975,644	₱ 108,332,854	₱ 246,484	₱ -	₱ 9,634,294	₱ 472,559,381
Additions	-	-	14,656,025	-	-	-	14,656,025
Depreciation	(2,563,303)	(3,727,918)	(6,412,526)	(58,454)	-	-	(12,762,201)
Disposal							
Cost	-	-	(841,714)	-	-	-	(841,714)
Depreciation	-	-	841,714	-	-	-	841,714
Closing net carrying value	₱ 174,806,802	₱ 173,247,726	₱ 116,576,353	₱ 188,030	₱ -	₱ 9,634,294	₱ 474,453,205
At March 31, 2024							
Cost	₱ 608,069,332	₱ 400,383,388	₱ 540,474,688	₱ 21,855,597	₱ 2,121,657	₱ 9,634,294	₱1,582,538,956
Accumulated depreciation	(433,262,530)	(227,135,662)	(423,898,335)	(21,667,567)	(2,121,657)	-	(1,108,085,751)
Net carrying value	₱ 174,806,802	₱ 173,247,726	₱ 116,576,353	₱ 188,030	₱ -	₱ 9,634,294	₱ 474,453,205

Critical accounting estimates: Estimated useful life of property and equipment

The Club estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. Such estimation is based on a collective assessment of the practices of similar businesses and experiences with similar assets.

Based on management's assessment, there is no change in estimated useful lives of property and equipment during the reporting periods. Actual results, however, may vary due to changes in estimates brought about by changes in factors discussed in the foregoing.

It is possible that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by the change in the factors mentioned above. A reduction in the estimated useful life of any property and equipment would increase the recorded expenses and decrease non-current assets.

Critical accounting judgment: Determination of impairment of non-financial assets

Non-financial assets including property and equipment, and land at revalued amount are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

Management believes that there are no events or changes in circumstances which indicate that the carrying amount of its non-financial assets may be impaired as at each reporting period.

Note 7 – Land at revalued amount

Details of land at revalued amount as at March 31, 2024 and December 31, 2023 are as follows:

		March 31, 2024		December 31, 2023
Balance at beginning of year	₱	8,268,882,000	₱	8,268,882,000
Revaluation increment during the year recognized in other comprehensive income		-		-
Balance at end of year	₱	8,268,882,000	₱	8,268,882,000

The land has a historical cost amounting to P127,478,600.

Description of the valuation techniques and key inputs to the valuation of land at revalued amount are as follows:

Valuation technique	Significant unobservable inputs	Range
Market (data) approach	Selling price of identical piece of land	12,000 to 15,000 per square meter
	External factor adjustments	-10% to -15%
	Internal factor adjustments	-10% to -50%
	Average fair value after internal and adjustments	6,000 per square meter external factor

The Club determines that the said properties were valued within a range of reasonable fair value estimates where all resulting fair value estimates are categorized as fair value measurements using significant unobservable inputs (Level 3).

Valuations are performed with sufficient regularity at least once every two (2) years enough to ensure that the fair value of the revalued asset does not differ significantly from its carrying value.

Critical accounting estimates: Fair value estimation of land

Land at revalued amount is measured at revalued amount, which approximates its fair value at the date of the revaluation less any accumulated impairment losses. In determining the fair value of land, the Club, through the professional services of an independent external appraiser, utilized a sales comparison approach. The technique of this approach requires comparison of properties with similar characteristics that are offered for sale or have been sold recently.

When a valuation is obtained, management reviews the key inputs, assesses valuation movements and holds discussions with the valuer as part of the process. Discussions about the valuation processes and results are held between the management and the Club's BOD.

Note 8 – Accounts payable and other current liabilities

Accounts payable and other current liabilities as at March 31, 2024 and December 31, 2023 consist of:

	March 31, 2024	December 31, 2023
Trade payables:		
Third parties	₱ 22,410,043	₱ 28,387,670
Due to members	345,938	759,972
Related parties	22,687,252	14,917,981
Accrued expenses:		
Professional fees	4,353,574	5,804,362
Outside services	1,670,022	3,540,352
Utilities	811,155	532,903
Others	4,606,281	2,038,757
Advances from sale of treasury shares	25,400,000	22,250,000
Consignment and due to concessionaires	6,889,131	8,154,614
Payable to government agencies	1,820,021	5,050,960
Others	7,185,674	11,801,303
	₱ 98,179,091	₱ 103,238,874

Trade payables to third parties are non-interest-bearing and are normally on 15 to 30 days' terms.

Due to members account pertains to player's payment of golfers' insurance fee and hole-in-one fund. These are amounts paid by the members every time they play in the Club in anticipation of a hole-in-one and fund in case of accidents relating to the insurance.

Accrued expenses are non-interest-bearing and have an average term of one month.

Consignment and due to concessionaires account pertain to unremitted sales to consignors and concessionaires. These are all collections by the Club, made through its point-of-sale system, which shall be operated and maintained exclusively by the Club, after the deduction of the appropriate concession fee and cash advances which are remitted to the concessionaires at the end of each month (Note 12).

Other payables which mainly pertain to liabilities from environment fees, tournament fees and other expenses are non-interest-bearing and are normally on 30 to 90 days' terms.

Note 9 – Contract liabilities/deposits from assignees and others

Contract liabilities pertain to advances received from members for membership dues, which are recognized as part of revenue upon satisfaction of performance obligations, normally within one year upon receipt of advances. As at March 31, 2024 contract liabilities amounted to P71,389,280 (December 31, 2023 – P11,050,328).

Deposits from assignees pertain to initial deposits from members' assignees related to the playing rights and are refundable at the end of the contract term. Deposits from others pertain to deposits for guest fees which are refundable at the end of each use of the facilities. As at March 31, 2024, deposits from assignees and others amounted to P14,851,451 (December 31, 2023 – P13,978,330).

Note 10 – Capital stock, club membership and basic earnings (loss) per share

Details of capital stock as at March 31, 2024 and December 31, 2023 are as follows:

	Authorized		Issued, subscribed and outstanding	
	Number of shares	Amount	Number of shares	Amount
Class A	1,800	448,455,086	1,800	448,455,086
Class B	700	296,074,144	700	296,074,144
Class C	500	338,574,111	500	338,574,111
	3,000	1,083,103,341	3,000	1,083,103,341

Founders' shares and Class “A” shares may be sold to citizens of the Philippines or to partnerships, corporations or associations, of which at least sixty percent (60%) of the outstanding capital stock and entitled to vote is owned or controlled by citizens of the Philippines.

Class “B” shares may be sold to any individual, corporation, partnership, or association, irrespective of their nationality.

Class “C” shares are special corporate shares which may be sold to corporations irrespective of their nationality or citizenship.

Ownership of a share shall entitle the registered owner to the use of all the sports and other facilities of the Club. The ownership of all shares of stock is however, subject to the following restrictive conditions, among others:

- a. No transfer of shares of stocks of the Club which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Club. This restriction shall be printed or indicated in all the certificates of stocks to be issued by the Club. Any transfer made in violation hereof shall be null and void;
- b. No profit shall inure to the exclusive benefit of any of the shareholder, 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 the dissolution or liquidation;
- c. In case of foreclosure by the pledgee or mortgagee of the shares of shareholders in the Club, the pledgee/mortgagee shall, in the event of inability of the pledgor or mortgagor to meet the obligation of such pledgor or mortgagor under the terms of the pledge or chattel mortgage, notify the Club in writing of the date, time and place of foreclosure sale and of the nature and amount of obligation secured by

the pledge or mortgage, which sale shall be conducted not earlier than 15 days from the date the Club received written notice thereof. The Club shall have the right to purchase the auctioned shares within 30 days from the award by paying in cash the price paid for by the winning bidder and expenses of sale incurred by the latter;

- d. Shareholders and members of the Club shall be subjected to the payment of monthly dues in an amount as may be prescribed by resolution of the BOD to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Such dues together with all other obligations of the shareholders to the Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government and in the event of delinquency, such shares may be ordered sold by the BOD in the manner provided in the by-laws to satisfy said dues or other obligations of the shareholders;
- e. In case any shareholder violates the provisions of the Articles of Incorporation or the By-laws or rules and regulations of the Club or resolutions duly promulgated by the BOD or shareholders, or commit any other act or conduct which the BOD may deem injurious to the interest or hostile to the objects of the Club, such shareholder may be expelled by the BOD in the manner provided in the by-laws upon proper notice and hearing, and he shall then cease to be a shareholder, and shall have no right with respect to his share except the right to demand payment therefore in accordance with the by-laws. The Club shall have a period of 30 days from the expulsion of the shareholder to make payment of his share, and upon such payment the shareholder shall forthwith transfer and assign the share held by him as directed by the Club.

Membership in the Club consists of regular, assignee, honorary and founding members.

Regular Members

Regular members are natural persons who are registered shareowners and the duly designated representatives of juridical entities in whose name the share certificates have been issued.

Assignee Members

Assignee members are natural persons who are entitled to use all facilities and privileges of the Club, except the right to vote, the right to hold office, and the right to the assets and property of the Club.

Honorary Members

Honorary membership shall be automatically extended to the President of the Philippines, the Governor of Cavite, the Congressman and Mayor of the City of Dasmariñas, Cavite.

Founding Members

Founding members shall be composed of the original incorporators or subscribers of the Club who are holders of Founders' shares.

Non-activated shares

On December 13, 1994, the BOD of the Club approved the resolution that no membership dues shall be charged to the original holders' non-activated shares, unless they transfer or sell their share or assign the playing rights. Non-activated shares refer to those shares that have not been applied for membership and the monthly dues of which are not being paid. Original shareholders refer to Sta. Lucia Realty Development Inc., AFP-Retirement and Separation Benefits Systems, ACL Development Corporation and Helena Benitez. They were given shares of stock in the Club as compensation for their respective investments constituting land and development costs.

Notwithstanding the non-payment of fees and dues, holders of non-activated shares shall still have the right to vote in accordance with the right of a regular member in good standing.

Thus, in the case of original shareholders of non-activated shares, the nonpayment of fees, dues and assessments do not constitute delinquent shares and therefore are still entitled to vote.

Basic and diluted Earnings Per Share

		March 31, 2024		December 31, 2023
Excess of receipts over expenses after income tax	₱	13,769,925	₱	35,416,552
Number of shares		2,657		2,657
Basic and diluted earnings per share	₱	5,183	₱	13,330

Basic and diluted earnings per share are equal as the Club does not have any dilutive potential ordinary shares in March 31, 2024 and December 31, 2023.

Note 11 – Shares of delinquent members acquired through auctions

This represents the following shares of delinquent members which were acquired through auctions pursuant to the Club By-laws as settlement of their long outstanding accounts.

		March 31, 2024		December 31, 2023
Class A		243		243
Class B		54		54
Class C		46		46
		343		343

Note 12 – Receipts

The Club derives receipts from membership dues and fees, and revenue from sale of goods and services for the three months ended March 31 as follows:

		2024		2023
At a point in time				
Green fees	₱	20,374,213	₱	17,780,520
Transfer and assignment fees		17,172,167		18,081,250
Golf cart fees		10,868,932		10,477,831
Tournament fees		1,565,985		1,040,271
Recreational facilities fees		1,337,600		1,035,314
Alcoholic drink sales		1,233,815		1,247,975
Facilities rental		1,155,071		1,418,439
Practice range fees		812,567		855,959
Proshop commission		607,544		772,371
Proshop sales		564,764		365,110
Others		437,353		468,484
	₱	56,130,011	₱	53,543,524
Over time				
Membership dues		36,410,500		36,131,083
Concessionaire's fees		2,469,795		2,607,385
	₱	38,880,295	₱	38,738,468
	₱	95,010,306	₱	92,281,992

Note 13 – Cost of goods sold and services

The components of cost of goods sold and services for the three months ended March 31 are as follows:

		2024		2023
Repairs and maintenance	₱	13,223,480	₱	11,387,421
Salaries, wages and employee benefits		7,238,192		6,074,458
Utilities		3,939,680		3,570,842
Tournament expenses		1,896,376		2,125,043
Operating supplies		1,122,344		1,135,242
Cost of sales - alcoholic drink		692,608		675,290
Member relations		533,596		381,277
Retirement cost		357,273		422,206
Cost of sales - proshop		300,949		299,050
Professional fees		238,733		198,421
Taxes and licenses		232,110		177,382
Linen & laundry		223,785		9,965
Representation		133,863		76,040
Communication		45,108		34,284
Beauty salon expenses		-		153,026
Others		512,816		161,179
	₱	30,690,913	₱	26,881,126

Note 14 – Operating expenses other than depreciation

The components of general & administrative expenses for the three months ended March 31 are as follows:

		2024		2023
Salaries, wages and employee benefits	₱	15,256,119	₱	12,942,935
Repairs and maintenance		6,710,888		5,361,911
Security services		4,942,079		4,401,242
Taxes and licenses		2,271,347		2,220,835
Operating supplies		2,088,732		2,351,901
Utilities		1,554,877		1,198,223
Collection fees		944,951		864,375
Professional fees		746,798		1,040,105
Communication		738,433		591,393
Representation		651,465		768,518
Insurance		495,159		359,404
Retirement cost		484,079		546,054
Linen and laundry		389,220		261,011
Others		1,179,969		1,230,072
	₱	38,454,116	₱	34,137,979

Note 15 – Other operating income

The components of other income, net for the three months ended March 31 are as follows:

		2023		2022
Late payment charges	₱	833,717	₱	305,107
Foreign exchange gain (loss) - net		6,693		(13,701)
Others		(55,465)		2,068
	₱	784,945	₱	293,474

Note 16 – Retirement benefit obligation

The Club has a funded, non-contributory defined benefits retirement plan, administered by a trustee, covering all of its regular and full-time employees. The Club recognizes the amount of retirement benefits that need to be accrued following the minimum retirement benefit required by Republic Act 7641 (the “Act”). An independent actuary conducted an actuarial valuation of the funded defined benefit plan using the projected unit credit cost method based on the provisions of the Act. The plan provides for lump sum benefit payment upon retirement. Contributions and costs are determined in accordance with the actuarial study made for the plan.

Movements in the present value of defined benefit obligation as of March 31, 2024 and December 31, 2023 are as follows:

		March 31, 2024		December 31, 2023
Balance at beginning of the year	₱	10,680,586	₱	4,275,388
Pension cost		841,352		6,164,995
Contributions		(5,000,000)		-
Benefits paid		-		(1,055,102)
Interest income on plan asset		-		(3,430,128)
Remeasurement loss		-		4,725,433
Balance at end of the year	₱	6,521,938	₱	10,680,586

Critical accounting estimates: Retirement benefit obligation

The present value of the retirement benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for retirement benefit include the discount rate and future salary increases. Any changes in these assumptions will impact the carrying amount of retirement benefit obligation.

The Club determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefit obligation. In determining the appropriate discount rate, the Club considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement benefit obligation and related retirement benefit expense.

Other key assumptions in determining retirement benefit obligation are based in part on current market conditions.

Note 17 – Critical accounting estimates, assumptions and judgments

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

The Club makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- a) Critical accounting estimates and assumptions
 - *Expected credit loss (ECL) on receivables (Note 3)*
 - *Estimating useful life of property and equipment (Note 6)*
 - *Fair value estimation of land (Note 7)*
 - *Retirement benefit obligation (Note 16)*
- b) Critical judgments in applying the Club's accounting policies
 - *Determination of impairment of property and equipment (Note 6)*

Note 18 – Summary of significant accounting and financial policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

18.1 Basis of Preparation

These financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The financial statements have been prepared on a historical cost basis of accounting except for land which is measured at the revalued amount and net retirement benefits liability which is measured at the present value of defined benefits obligation less the fair value of the plan assets.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Club's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are summarized in Note 20.

18.2 Changes in accounting policies and disclosures

New and amended standards adopted by the Company

The Club has applied Amendments to PAS 1 and PFRS Practice Statement 2 – Disclosure of Accounting Policies for the first time for the financial year beginning January 1, 2023. The amendments require entities to disclose their material rather than their significant accounting policies. The amendments define what is “material accounting policy information” and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

The amendments impacted the disclosure of material accounting policies.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023 reporting periods and have not been early adopted by the Club. These standards, amendments or interpretations are not expected to have a material impact on the Club in the current or future reporting periods and on foreseeable future transactions.

18.3 Financial assets

Classification and presentation

18.3.1 Classification

The Club classifies its financial assets in the following measurement categories:

- (a) those measured subsequently at fair value [either through OCI (FVOCI) or through profit or loss (FVTPL)]; and
- (b) those measured at amortized cost.

The classification depends on the Club's business model for managing the financial assets and the contractual terms of the cash flows. The Club did not hold financial assets under category (a) during and as at March 31, 2024 and December 31, 2023. The Club's financial assets under category (b) includes cash and cash equivalents (Note 2) and receivables (Note 3).

18.3.2 Impairment

The Club assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Loss allowances of the Club are measured on either of the following bases:

- 12-month expected credit losses (ECLs) - these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs - these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Club applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction in accordance with PFRS 15.

Additionally, the Club elects an accounting policy to recognize full lifetime expected losses for all contract assets and/or all trade receivables that do constitute a financing transaction in accordance with PFRS 15.

General approach

The Club applies the general approach to provide for ECLs on non-trade receivables. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Club assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and includes forward-looking information.

The Club considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Club in full, without recourse by the Club to actions such as realizing security (if any is held); or
- the financial asset is more than 360 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Club is exposed to credit risk.

18.3.3 Credit-impaired financial assets

At each reporting date, the Club assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as actual default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

18.4 Financial liabilities

Classification

The Club classifies its financial liabilities in the following categories: (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities at amortized cost. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

Financial liabilities at fair value through profit or loss have two sub-categories: (i) financial liabilities classified as held for trading; and (ii) financial liabilities designated by the Club as at fair value through profit or loss upon initial recognition.

The Club does not have financial liabilities at fair value through profit or loss.

The Club's financial liabilities at amortized cost consist mainly of accounts payable and other liabilities (except payable to government agencies and liabilities from special assessments) (Note 8) and deposits from assignees and others (Note 9).

18.5 Fair value measurement

Non-financial assets

For non-financial assets, the Club uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques are as follows:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

Significant non-financial asset of the Club is land which is carried at fair value under Level 3 hierarchy.

The Club has no other significant non-financial assets and liabilities carried at fair value.

18.6 Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

18.7 Receivables

Receivables arising from regular service, with average credit term of 30 to 90 days, are initially recognized at transaction price and subsequently measured at amortized cost less provision for impairment, if any.

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment, if any.

The relevant policies on classification, recognition, measurement, impairment and derecognition are further disclosed in Note 18.3.

18.8 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and amortization and impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Land is not depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

	Number of years
Land improvements	5 to 10 buildings and structures
Buildings	47
Facilities and equipment	3 to 10
Furniture and fixtures	5
Kitchen equipment	5

The residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end to ensure that the residual values, periods and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until they are no longer in use.

Construction in-progress represents properties under construction and is stated at cost. This includes costs of construction and other direct costs. Construction in-progress is not depreciated until such time as the relevant assets are completed and are put into operational use.

Land at revalued amount

Land is initially measured at cost which consist of the purchase price and any directly attributable cost.

Land is subsequently measured at revalued amount less any accumulated impairment in value and subsequently measured using the revaluation method. Land is not depreciated.

Revalued amounts are determined through the appraisal of an external, independent and SEC-accredited appraisal company. Revaluations are made in every two years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The net appraisal increment resulting from the revaluation was credited to "Revaluation increment on land" account shown in the members' equity section of the statement of financial position and the statement of changes in members' equity.

Any decrease in the carrying amount resulting from a revaluation is recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognized in other comprehensive income (OCI) also reduces the "Revaluation increment on land" account in the members' equity section of the statement of financial position.

18.9 Impairment of non-financial assets

The Club assesses at each reporting date whether there is an indication that an asset (e.g., land at revalued amount, property and equipment) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

18.10 Contract liabilities and deposits from assignees and others

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Club has received consideration or an amount of consideration is due from the customer. If a customer pays consideration before the Club transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due, whichever is earlier. Contract liabilities also include payments received by the Club from the customer for which revenue recognition has not yet commenced.

Deposits from assignees and others

Deposits from assignees and others represent refundable deposits from assignees for playing rights and deposits from food and beverage concessionaires. Deposits from assignees are being recognized by the Club once the member assigned its playing rights to the assignee. These are refundable at the end of assignment term.

18.11 Employee Benefits

Net retirement benefits liability

The net defined benefits liability is the aggregate of the present value of the defined benefits obligation (DBO) at the end of the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefits asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefits plans is actuarially determined using the projected unit credit method.

Defined benefits costs comprise the following:

- (a) Service cost
- (b) Net interest on the net defined benefits liability or asset
- (c) Remeasurements of net defined benefits liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefits liability or asset is the change during the period in the net defined benefits liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefits liability or asset. Net interest on the net defined benefits liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise.

18.12 Capital stock

Capital stock has no par value. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Proceeds and/or fair value of consideration received are recognized as capital stock.

Excess of proceeds over cost from re-issuance of shares of delinquent members

Excess of proceeds over cost from re-issuance of shares of delinquent members is the excess between the consideration received and the cost of reacquired shares from delinquent members.

Shares of delinquent members acquired through auctions

This represents the shares of delinquent members which were acquired by the Club through auctions pursuant to the Club's Article of Incorporation and By-laws in settlement of member's long outstanding receivables.

Cumulative excess of expenses over receipts

Cumulative excess of expenses over members' contribution and fees includes current and prior years' results, net of transactions with shareholders, if any.

Other comprehensive income (OCI)

Other comprehensive income comprises items of income and expense that are not recognized in profit or loss for the year in accordance with PFRS.

18.13 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. Revenue is recognized when the Club satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

The Club assesses its revenue against specific criteria in order to determine if it is acting as principal or agent. The Club has concluded that, it is the principal in all of its revenue arrangements since it is the primary obligor in the revenue arrangements, has pricing latitude and is also exposed to inventory risks.

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

Membership dues

Membership dues are billed one month in advance and are recognized over time when earned and when no significant doubt as to its collectability exists. Advance collection of membership dues is recognized as "Contract liabilities" account in the statement of financial position.

Assignment fees

Assignment fees are revenue related to playing rights being transferred from a member to an assignee for a period of time. These are recognized upon transfer of playing rights to the assignee.

Transfer fees

Transfer fees represent income from registration of transfer of ownership of a golf share in the Club's stock and transfer book. Revenues are recognized upon transfer of ownership to the buyer.

Green fees, Golf cart fees, Tournament fees, Practice range fees, Recreational facilities fees, Facilities rental

Revenue from the use of the Club's golf course and other amenities and availment of the Club's services are recognized when services are rendered, and amenities are used.

Alcoholic drink sales, Proshop sales, Proshop commission

Revenue is recognized at point in time when customer obtains control of the goods which coincides with the receipt and acknowledgment of the customer of the goods. Commission is computed as a certain percentage of the consignor's selling price.

Concessionaire's fee

Income derived from entities allowed to do business within the Club premises are recognized in accordance with the terms of the agreement. Commission is recognized over time and is computed as a certain percentage of the sales of the concessionaire.

Interest income

Revenue is recognized as the interest accrues and collection is reasonably assured.

Miscellaneous income

Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

18.14 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset even if the right is not explicitly specified in the arrangement.

Club as a Lessor

Leases where the Club does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

18.15 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishing provisions where appropriate on the basis of amounts to be paid to tax authorities.

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

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and NOLCO can be utilized.

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

18.16 Provisions

Provisions are recognized when the Club has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where that Club expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect management's current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed and derecognized from the statement of financial position.

18.17 Contingencies

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

THE ORCHARD GOLF & COUNTRY CLUB, INC.

SEC FORM 17-Q

For the period ended March 31, 2024

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with the financial statements and related notes as of March 31, 2024 and December 31, 2023. This discussion contains forward-looking statements, which involve risks and uncertainties that may differ materially from actual results, indicating the current views with respect to future events and future financial performance.

Overview

Financial Condition

March 31, 2024 (Unaudited) vs. December 31, 2023 (Audited)

Total assets as of March 31, 2024 amounted to P8,991.9 million, surpassing December 31, 2023's P8,926.1 million by P65.8 million or 0.7%, which is comprised of current assets' P58.4 million and non-current assets' P7.4 million. The substantial growth in current assets is mainly attributed to higher cash and cash equivalents, which recorded an increase of P60.4 million or 42.8%, due to collection of annual dues and annual assignee fees for 2024. On the other hand, receivables balance decreased by P2.3 million or 11.7% due to collection of tournament-related dues, such as 2023 Founders Cup sponsorship and PAL tournament fee. For the non-current assets, the increment is primarily attributed to other non-current assets, which is higher by P5.5 million or 68.3%, pertaining to downpayment for the Club's several CAPEX projects. Meanwhile, the increase in property and equipment by P1.9 million or 0.4% pertains to the net effect of the additional CAPEX and the depreciation for three (3) months.

Total liabilities as of March 31, 2024 amounted to P2,226.3 million, surpassing December 31, 2023's P2,174.3 million by P52.0 million or 2.4%, which consists of increase in current liabilities by P56.1 million and decrease in non-current liabilities by P4.1 million. The increment in current liabilities is primarily attributed to contract liabilities, recording an increase of P60.3 million or 546.0%, as a result of the collection of annual dues for 2024. Meanwhile, the decrease in accounts payable and other current liabilities by P5.0 million or 4.9% refers to the payment of expenditures to third parties. As for the non-current liabilities, the decrease of P4.1 million refers to the contribution paid for the Club's retirement plan.

Total members' equity as of March 31, 2024 amounted to P6,756.6 million, surpassing December 31, 2023's P6,751.8 million by P13.8 million or 0.2%, which represents the excess of receipts over expenses, net of tax for the first three months of 2024.

Results of Operations

Quarter Ended March 31, 2024 vs. Quarter Ended March 31, 2023 (Unaudited)

Excess of receipts over expenses, net of tax for the quarter ended March 31, 2024 amounted to P13.8 million, which declined by P4.7 million or 25.6% from P18.5 million reported in the same quarter of the previous year. The decrease was driven by the following:

The upsurge in operating expenses other than depreciation by P4.3 million or 12.6% is primarily attributed to payroll-related expenses, such as the annual merit increase, increase in hospitalization allowance amounting to P10k for all employees, and DOLE-mandated minimum wage increase, and repairs and maintenance for the continuous preservation and upkeep of the courses, clubhouse and other facilities.

The increase in cost of goods sold and services by P3.8 million or 14.2% pertains to equipment maintenance, course maintenance, and payroll-related expenses.

Meanwhile, there was a significant increase of P2.7 million or 3.0% in total receipts due to the resumption of golf and other services, along with the rising popularity of golf as lifestyle sport, as evidenced by higher golf rounds. Income from green fees recorded a swift growth of P2.6 million or 14.6% due to higher green fee rate effective June 1, 2023.

Moreover, the increase in the interest income by P982 thousand or 133.3% is due to higher amount of short-term deposits and its related interest rate.

Earnings per share for the quarter ended March 31, 2024 reached P5,183, which is below than the P6,990 earnings per share recorded last year.

Management made no changes in its estimates in prior financial year and current financial year, nor made changes in the amount of estimates previously reported that has a material effect in the current interim period. There were no subsequent events to the end of the interim period that could materially affect the interim report. The Club is not involved in any business combination nor does it have subsidiaries nor maintain long-term investment. There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities or other persons created during the reporting period.

Key Performance Indicators

The top four (4) key performance indicators of the Club are 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.

	(Unaudited)	
	Quarters ended March 31	
	2024	2023
Current ratio	1.29:1	1.25:1
EBITDA	P25.0 million	P29.8 million
Dues-paying members	2,427	2,397
Golf rounds	29,314	29,211

Current ratio

Current ratio is a primary test of solvency to meet current obligations from current assets as a going concern. It also measures the adequacy of working capital. As of March 31, 2024, the Club has a current ratio of 1.29:1, which is higher than the 1.25:1 current ratio reported in the same period last year.

EBITDA

EBITDA measures the company's overall financial performance. It focuses on the financial outcome by eliminating the impact of non-operating management decisions. As of March 31, 2024, EBITDA amounted to P25.0 million, lower than March 2023's P29.8 million by P4.8 million or 16.1%.

Dues-paying members

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 maintenance and improvement of its premises and facilities. As of March 31, 2024, the number of dues-paying members increased to 2,427 from 2,397 in March 31, 2023.

Golf rounds, trends and efficiency ratios

Golf rounds, trends and efficiency ratios refer to the number of golf rounds in comparison with other selected golf clubs within the industry. As of March 31, 2024, the Club recorded total golf rounds of 29,314 with a member-guest ratio of 78:22, which is higher by just 103 rounds as compared to the same period in 2023 with total golf rounds of 29,211 and member-guest ratio of 74:26.

Operating Plan

The Club's operating plan for the next nine months will still focus on maintaining the pristine condition of the courses, 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 operate in accordance with the approved budget and business plan for the period. The Club's capital expenditures will be maximized up to P70.0 million to serve as a catalyst in improving our services to members and guests.

Investment in capital projects will continue to drive growth, with Management prioritizing the enhancement of the golfing experience for both members and guests. Maintaining the courses in pristine condition remains a paramount objective. Key initiatives in course maintenance encompass a bunker renovation program, replacement of satellite controllers and sprinklers to establish a centralized irrigation control system. Furthermore, Management is actively pursuing the golf cart re-fleeting program.

As of this report, 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.

THE ORCHARD GOLF & COUNTRY CLUB, INC.

MANAGEMENT REPORT

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 for the years ended December 31, 2023, 2022, and 2021, and for the six-month periods ended June 30, 2024, 2023, and 2022. This discussion contains forward-looking statements reflecting Management's current views on events and the Club's future financial performance. These statements involve risks and uncertainties, and actual results may differ materially from those anticipated in these forward-looking statements.

(1) Key Performance Indicators

The Club considers the following five key performance indicators essential: (1) current ratio, (2) quick ratio, (3) earnings before interest, taxes, depreciation, and amortization (EBITDA), (4) dues-paying members, and (5) golf rounds and efficiency ratios.

The current ratio is a primary test of solvency, measuring an entity's ability to meet current obligations from current assets and continue as a going concern. It also evaluates the adequacy of working capital. The quick ratio, on the other hand, considers only highly liquid assets, providing a more conservative measure of a company's liquidity. EBITDA, which stands for earnings before interest, taxes, depreciation, and amortization, is used to analyze profitability by eliminating the effects of financing and accounting decisions. Dues-paying members are shareholders of the Club who pay monthly maintenance dues as determined by the Board of Directors to cover general operational expenses and the maintenance and improvement of the Club's premises and facilities. Golf rounds and efficiency ratios refer to the number of golf rounds played during a specified period.

KPIs for the full fiscal years

Current Ratio:

	2023	2022	2021
Current Asset	176,597,681	114,167,367	90,650,325
Current Liabilities	125,847,533	86,690,929	85,649,925
Current Ratio	1.40	1.32	1.06

Quick Ratio:

	2023	2022	2021
Cash and cash equivalents	141,045,110	77,146,915	60,107,373
Receivables	19,762,347	18,028,465	14,711,257
Current Liabilities	125,847,533	86,690,929	85,649,925
Current Ratio	1.28	1.10	0.87

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization):

	2023	2022	2021
Net Income (Loss)	35,416,553	33,986,072	3,941,229
Add Back (Deduct):			
Interest Income	(5,699,098)	(876,779)	(618,430)
Provision for Income Taxes	4,785,840	591,568	300,540
Depreciation	46,439,826	41,746,221	39,285,837
EBITDA	80,943,121	75,447,082	42,909,176

Dues-Paying Members:

	2023	2022	2021
Proprietary	2,075	2,044	2,030
Assignee	305	318	317
Lifetime Member	41	27	14
Total Dues Paying Members	2,421	2,389	2,361

Golf Rounds:

	2023	2022	2021
Members	86,455	83,101	67,308
Guests	18,511	17,789	12,401
Tourists	3,742	62	17
Complimentary	2,044	1,855	806
Total Golf Rounds	110,752	102,807	80,532

Rounds Ratio:

	2023	2022	2021
Members %	78%	81%	84%
Guests %	19%	19%	16%
Tourists %	3%	-	-

As of December 31, 2023, the Club's current ratio improved to 1.40:1, compared to 1.32:1 in 2022 and 1.06:1 in 2021. This increase is primarily due to a significant rise in cash and cash equivalents, resulting from higher cash receipts from sales transactions due to the reopening of the economy and the resumption of tournaments, events, and dine-in services.

The quick ratio also improved, reaching 1.28 in 2023, up from 1.10 in 2022 and 0.87 in 2021. This increase is similarly attributable to higher cash receipts from sales transactions.

EBITDA, including members' contributions and fees, amounted to PhP 80.9 million for the year, reflecting a growth of PhP 5.5 million (7.3%) from PhP 75.4 million in 2022 and PhP 38 million (88.6%) from PhP 42.9 million in 2021. This increase is primarily due to higher green fees related to increased guest rounds in 2023 and higher membership fees due to the implementation of the playing rights annual assignee fee.

The number of dues-paying members also improved, rising from 2,361 in 2021 and 2,389 in 2022 to 2,421 in 2023.

The Club registered a total of 110,752 golf rounds in 2023, surpassing the 102,807 rounds in 2022 and 80,532 rounds in 2021. The member participation ratio of 78% in 2023 is lower than

81% in 2022 and 84% in 2021. Conversely, the guest participation ratio remained at 19% in 2023, the same as in 2022, but higher than the 16% in 2021. Additionally, the Club recorded a 3% tourist ratio in 2023, compared to minimal tourist rounds in 2022 and 2021.

KPIs for the interim period of June 30, 2024

Current Ratio:

	June 2024	June 2023	June 2022
Current Asset	202,772,645	205,026,674	129,917,306
Current Liabilities	130,655,933	163,652,917	111,610,084
Current Ratio	1.55	1.25	1.16

Quick Ratio:

	June 2024	June 2023	June 2022
Cash and cash equivalents	161,540,472	141,045,110	99,217,321
Receivables	15,548,355	19,762,347	11,063,630
Current Liabilities	130,655,933	163,652,917	111,610,084
Current Ratio	1.36	0.98	0.99

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization):

	June 2024	June 2023	June 2022
Net Income (Loss)	17,121,201	22,323,046	12,220,755
Add Back (Deduct):			
Interest Income	(4,157,303)	(2,827,674)	(178,780)
Interest Expense	-	1,473,792	1,011,728
Provision for Income Taxes	375,000	375,000	500,000
Depreciation	25,931,477	22,217,105	20,289,926
EBITDA	39,270,375	43,561,269	33,843,629

Dues-Paying Members:

	June 2024	June 2023	June 2022
Proprietary	2,083	2,052	2,046
Assignee	310	316	306
Lifetime Member	44	37	20
Total Dues Paying Members	2,437	2,405	2,372

Golf Rounds:

	June 2024	June 2023	June 2022
Members	45,086	43,736	41,520
Guests	8,522	10,703	7,449
Tourists	2,170	2,393	10
Complimentary	260	291	416
Total Golf Rounds	56,038	57,123	49,395

Rounds Ratio:

	June 2024	June 2023	June 2022
Members %	80%	77%	84%
Guests %	16%	19%	16%
Tourists %	4%	4%	-

As of June 30, 2024, the Club's current ratio improved to 1.55:1, up from 1.25:1 for the same period in 2023 and 1.16:1 in 2022. This increase is primarily due to a significant decrease in current liabilities compared to previous years' balances.

The quick ratio increased to 1.36:1 as of June 30, 2024, compared to 0.98:1 in 2023 and 0.99:1 in 2022. This improvement is attributed to a decrease in liabilities and an increase in cash receipts.

EBITDA, including members' contributions and fees, amounted to PhP 39.3 million as of June 30, 2024, a decrease of PhP 4.3 million (9.9%) from PhP 43.6 million in 2023. However, it represents an increase of PhP 5.4 million (16.0%) compared to PhP 33.8 million for the same period in 2022.

The number of dues-paying members increased to 2,437 as of June 30, 2024, up from 2,405 in 2023 and 2,372 in 2022.

Golf rounds for the second quarter of 2024 totaled 56,038, which is 1,085 rounds fewer than the 57,123 rounds in the same period of 2023 but 6,643 rounds more than the 49,395 rounds in 2022. The guest ratio for the first half of 2024 was 16%, lower than 19% in 2023. The tourist ratio remained at 4% since 2023.

(2) Plan of Operation

The Club's operating plan for the succeeding year will be focused still on maintaining the pristine condition of the courses, which remains the core business of the Club. Improving the Club's financial condition is also one of Management's top priorities. To achieve these objectives, Management will adhere strictly to the approved budget and business plan for the period.

The Club's capital expenditures will be maximized up to P70.0 million, strategically allocated to enhance services for both members and guests. Investment in capital projects will drive growth, with a focus on improving the golfing experience. Key initiatives in course maintenance include a bunker renovation program, the replacement of satellite controllers and sprinklers to establish a centralized irrigation control system, and the ongoing golf cart re-fleeting program.

As of this report, Management is not aware of any material events or uncertainties that would affect past operations or impact future operations, liquidity, planned capital expenditures, net sales, revenues, and income.

2023 Capital Projects

The Club allocated PHP 72 Million budget for capital improvements for the year 2023 with the objective of improving further the quality of our services to members and guests. The Club's capital projects as of December 31, 2023 are as follows:

Golf course improvements and equipment	45,080,007
Building/furniture & fixtures and house maintenance equipment	24,286,288
Auto and light truck	2,225,313
Office equipment/F&B equipment/computer hardware and software	634,373
Total	<u><u>72,225,981</u></u>

The Club anticipates no issues with liquidity or cash flow. Management expects the Club's cash and cash equivalents to remain stable, providing confidence that the Club will meet its obligations to suppliers.

Looking ahead to 2024, Management foresees no trends, events, or uncertainties that will materially impact revenues or income from continuing operations. There are no significant items of income or loss expected outside of continuing operations, and Management does not anticipate any seasonal factors that would materially affect the Club's financial condition or operational results.

(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, 2023, 2022, and 2021:

	2023	2022	2021
Assets			
Total current assets	175,597,680	114,167,367	90,650,325
Total non-current assets	8,749,498,941	8,718,806,335	7,745,869,569
Total	8,926,096,621	8,832,973,702	7,836,519,894
Liabilities and Members' Equity			
Total current liabilities	125,847,533	86,690,930	85,649,925

Total non-current liabilities	2,048,451,436	2,041,076,238	1,805,055,242
Total members' equity	6,751,797,652	6,705,206,534	5,945,814,727
Total	8,926,096,621	8,832,973,702	7,836,519,894

Total assets in 2023 amounted to PhP 8.92 billion, exceeding 2022's PhP 8.83 billion by PhP 93.1 million or 1%. This increase is comprised of a PhP 62.4 million rise in current assets and a PhP 30.7 million increase in non-current assets. The growth in current assets was primarily driven by higher cash and cash equivalents, which surged by PhP 63.9 million or 83%. This increase was fueled by PhP 120 million from operating activities due to increased revenues, offset by PhP 72 million used in investing activities for property and equipment purchases, and PhP 15.9 million from financing activities related to proceeds from the issuance of Club shares. Conversely, prepayments and other current assets declined by PhP 3.8 million or 24%, primarily due to creditable withholding tax applications and the reclassification of previously recorded prepayments to property and equipment. Non-current assets saw an increase primarily in property and equipment, up by PhP 25.8 million or 6%, attributed to higher capital expenditure projects, rising from PhP 50 million in 2022 to PhP 72 million in 2023. Additionally, other non-current assets rose by PhP 4.9 million or 158%, driven by down payments for 30 units of electric golf carts.

Total liabilities in 2023 amounted to PhP 2.17 billion, exceeding 2022's PhP 2.12 billion by PhP 46.5 million or 2%. This increase includes PhP 39.1 million in current liabilities and PhP 7.4 million in non-current liabilities. The rise in current liabilities is primarily attributed to accounts payable and other current liabilities, which increased by PhP 36 million or 54%, reflecting proceeds from the sale of Club reacquired shares. Non-current liabilities increased by PhP 7.4 million, mainly due to a higher net retirement benefits liability resulting from more eligible employees and a lower discount rate used in actuarial valuation.

Total members' equity in 2023 amounted to PhP 6.75 billion, exceeding 2022's PhP 6.70 billion by PhP 46.6 million or 1%. This represents the excess of receipts over expenses, net of tax for 2023.

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, 2023, 2022, and 2021. Receipts are mostly derived from the members' contributions & fees and green fees, while the total expenses are mainly composed of payroll-related expenses and repairs & maintenance.

<i>Receipts</i>	2023	2022	2021
Members' dues and fees	199,235,816	186,579,263	176,741,659
Green fees	61,602,473	35,701,714	18,613,530
Golf cart fees	40,282,581	36,976,607	30,484,169
Tournament fees	17,208,828	12,557,055	-
Concessionaire's fee	12,343,993	9,471,151	4,672,525
Grand raffle event	8,429,155	7,851,473	-
Recreational facilities	5,804,937	4,639,906	781,101
Facilities rental	5,092,332	2,645,822	511,160
Practice range fees	3,130,621	2,601,858	2,093,533
Pro shop commission	2,855,752	2,857,903	2,442,320

Pro shop sales	1,699,421	1,195,849	956,243
Others	2,570,158	2,050,831	1,132,766
Total revenues	360,256,067	305,129,432	238,429,006

2023 Compared to 2022

A significant increase of PhP 55.1 million or 18% in total receipts is attributed to the re-opening of the economy and the growing popularity of golf as a lifestyle sport. Income from green fees and tournament fees saw improvements of PhP 25.9 million or 73% and PhP 4.7 million or 37%, respectively. These gains were driven by an increase in the green fee rate effective June 1, 2023, and the addition of tee time slots, resulting in a 4,402 increase in guest rounds. Furthermore, transfer and assignment fees increased by PhP 10.8 million or 29%, following the rise in membership fees effective January 1, 2023.

Additionally, concessionaire's fees and facilities rental grew by PhP 2.9 million or 30% and PhP 2.4 million or 92%, respectively, due to the resumption of monthly buffets and increased demand for dine-in services and banquet venues.

2022 Compared to 2021

The Club's total receipts of PhP 305.1 million in 2022 represented a significant increase of PhP 56.9 million or 92% compared to 2021's PhP 238.4 million. This growth was primarily driven by higher income from green fees, which rose by PhP 17.1 million or 91.8%, from PhP 18.6 million in 2021 to PhP 35.7 million in 2022. Additionally, higher maintenance dues and fees contributed PhP 9.8 million or 6%, increasing from last year's PhP 176.7 million to PhP 186.6 million in 2022. The resumption of tournaments and events also had a significant positive impact on 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 an increase in membership turnover by 71, from 149 transactions in 2020 to 220 transactions in 2021.

<i>Members' Dues and Fees</i>	2023	2022	2021
Maintenance dues	151,337,066	149,442,503	156,391,659
Transfer fee	25,875,000	15,125,000	13,475,000
Assignee fee	8,698,750	8,364,582	-
Membership fee	8,375,000	11,697,178	4,875,000
Change of corporate nominee	4,950,000	1,950,000	2,000,000
Total members' dues and fees	199,235,816	186,579,263	176,741,659

2023 Compared to 2022

Total members' dues and fees registered an increase of PhP 12.6 Million or 7%, from PhP 186.6 Million in 2022 to PhP 199.2 Million in 2023. Membership fees improved by PhP 10.8 Million or 29%, due to increased rate effective January 1, 2023. Furthermore, maintenance

dues recorded an increase of PhP 1.9 Million or 1% due to higher number of billable members, from PhP 2,389 Million in 2022 to PhP 2,421 Million in 2023.

2022 Compared to 2021

Total members' dues 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, membership fees 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' dues 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.

<i>Expenses</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
Repairs and maintenance	83,394,944	70,619,336	61,768,601
Salaries, wages and employee benefits	81,362,721	71,515,859	64,880,591
Utilities	18,507,492	15,268,968	12,164,563
Security services	18,485,727	15,153,880	14,112,796
Tournament expenses	16,916,272	9,794,981	23,890
Supplies	12,439,371	8,052,858	5,473,843
Taxes and licenses	10,892,984	10,679,264	11,880,642
Grand raffle event	8,933,380	7,007,040	-
Representation	3,728,379	4,061,408	3,709,109
Collections fees	3,472,889	2,741,702	1,694,143
Professional fees and legal costs	3,212,354	4,199,712	2,945,204
Communication	2,906,274	2,871,009	2,698,788
Retirement cost	2,734,867	3,616,839	4,699,086
Laundry expenses	1,881,691	842,196	60,775
Member Relation	1,785,320	1,259,496	803,426
Insurance	1,418,152	1,289,734	1,205,430
Cost of Pro shop goods sold	1,212,773	863,075	654,730
Beauty salon expense	531,887	686,122	436,500
Miscellaneous	19,430,786	13,592,445	12,601,858
Total cost and operating expenses	293,248,263	244,115,927	201,813,976
Depreciation	46,439,826	41,746,221	39,285,837
Interest Income	(5,699,098)	(876,779)	(618,430)

<i>Expenses</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
Reversal of doubtful accounts	(58,533)	(5,994,243)	(4,123,317)
Other operating income	(13,876,784)	(8,439,332)	(2,170,829)
Total expenses	320,053,674	270,551,794	234,187,237

2023 Compared to 2022

Total expenses for 2023 amounted to PhP 320.1 Million, surpassing prior year's PhP 270.6 Million by PhP 49.5 Million or 18%. Total cost and operating expenses grew by PhP 49.1 Million or 20%, due to higher repairs and maintenance, higher payroll-related expenses, and higher tournament expenses. Moreover, other operating income increased by PhP 5.4 Million or 64% mainly due to unutilized golfers' insurance and hole-in-one.

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.

	<i>2023</i>	<i>2022</i>	<i>2021</i>
Excess of receipts over costs and other expenses before depreciation	86,642,218	76,323,861	43,527,606
Depreciation	(46,439,826)	(41,746,221)	(39,285,837)
Excess (Deficiency) of receipts over costs and expenses	40,202,392	34,577,640	4,241,769

2023 Compared to 2022

The excess of receipts over costs and expenses recorded a swift growth of PhP 5.6 Million or 16%, from PhP 34.6 Million in 2022 to PhP 40.2 Million in 2023, due to the significant increase in total receipts by PhP 55.1 Million, surpassing the increase in total expenses of 49.5 Million, from PhP 270.6 Million in 2022 to PhP 320.1 Million in 2023.

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.

Plans and Prospects

The Finance and Audit Committees reviewed the Club's 2024 annual operating budget and business plan and recommended the approval of the same 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 2024 with critical assumptions below:

- Total golf rounds are projected to reach 112,000 rounds for the year, with a member-guest ratio of 82:18, under the assumption that the tourist affiliate booking in partnership with Full Moon House Corporation will continue in 2024, and 45-50 golf tournaments for the year.
- Golf cart covers are projected to reach 67,200 for the year, with a golf cart ratio of 1.67 per month.
- Total billable members are estimated at 2,415 (Proprietary – 2,065; Assignees – 310; Lifetime Members – 40), with no increase in monthly dues.
- 6 seriously delinquent shares are expected to be auctioned in 2024.
- Manpower complement is projected at 141, and an 8% merit increase, inclusive of CBA mandated increase, will be given to eligible employees.
- CAPEX is budgeted at PhP 70 Million.

Proposed Operating Budget

<i>Highlights of Operating Budget</i>		
	2024	2023
	Budget	Actual
Revenue		
Membership	213,661,041	199,235,816
Golf	140,091,575	127,044,408
Miscellaneous	28,253,940	30,772,771
Food and Beverage	26,359,061	20,537,625
Sports	6,100,656	5,540,205
Total	414,466,273	383,130,825
Expenses (excluding Depreciation)		
Administration	147,125,144	122,069,028
Golf	113,809,966	111,236,540
Miscellaneous	22,280,423	21,691,495
Utilities	11,153,015	10,440,173
Taxes & Insurance	9,822,307	15,043,333
Food and Beverage	8,662,754	8,510,804
Membership	7,462,458	7,422,561

<i>Highlights of Operating Budget</i>		
	2024	2023
	Budget	Actual
Sports	4,842,381	4,860,511
Total	325,158,448	301,274,446
Gross Operating Profit	89,307,825	81,856,378
Capital Expenditures	70,000,000	72,242,946
Net Cash Flow	19,307,825	9,613,433

Total revenue is projected to improve by PhP 31.3 Million or 8.2%, from PhP 383.1 Million in 2023 to PhP 414.5 Million in 2024, relative to an estimated positive change in golf, membership, food & beverage, and sports revenue. Membership dues and fees is projected to increase by PhP 14.4 Million or 7.2%, from PhP 199.2 Million in 2023 to PhP 213.7 Million in 2024. Revenue from golf operations is projected to increase by PhP 13 Million or 10.3%, from PhP 127 Million actual revenues in 2023 to a budget of PhP 140.1 Million in 2024. Moreover, food and beverage, including concessionaire's fee and room rental, is budgeted to increase by PhP 5.8 Million or 28.3%, from PhP 20.5 Million in 2023 to PhP 26.3 Million in 2024. Lastly, sports revenue is estimated to increase by PhP 560 Thousand or 10.1%, from PhP 5.5 Million in 2023 to PhP 6.1 Million in 2024. On the other hand, miscellaneous revenue is projected to decrease by PhP 2.5 Million or 8.2%, from PhP 30.8 Million in 2023 to PhP 28.3 Million in 2024.

Total expenses are projected to increase by PhP 23.9 Million or 7.9% from PhP 301.3 Million in 2023 to PhP 325.2 Million in 2024, mainly due to the projected increase in administration and golf expenses. Administration expense is projected to increase by PhP 25.1 Million or 20.5%, from PhP 122.1 Million in 2023 to PhP 147.1 Million in 2024. Golf expenses are likewise projected to increase by PhP 2.6 Million or 2.3%. Meanwhile, taxes & insurance are expected to decrease by PhP 5.2 Million or 34.7%.

Gross operating profit is projected at PhP 89.3 Million, enough to sustain our capital budget of PhP 70 Million. Net cash flow is projected to be at PhP 19.3 Million, which is significantly higher than previous year's cash flow of PhP 9.6 Million.

(b) Interim Periods

2024 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:

	2024	2023
Members' dues and fees:		
Maintenance dues	₱ 36,410,500	₱ 36,131,083
Transfer and assignment fees	17,172,167	18,081,250
Total members' dues and fees	53,582,667	54,212,333
Clubhouse operations:		

Green fees	20,374,213	17,780,520
Golf cart fees	10,868,932	10,477,831
Concessionaire's fee	2,469,795	2,607,385
Tournament fees	1,565,985	1,040,271
Recreational facilities fees	1,337,600	1,035,314
Alcoholic drink sales	1,233,815	1,247,975
Facilities rental	1,155,071	1,418,439
Driving range fees	812,567	855,959
Proshop commission	607,544	772,371
Proshop sales	437,353	468,484
Others-net	564,764	365,110
Total revenue from Clubhouse operations	41,427,639	38,069,659
Total receipts	95,010,306	92,281,992
Cost of goods sold and services	(30,690,913)	(26,881,126)
Excess of receipts over cost before operating expense, other income and depreciation expense	64,319,393	65,400,866
Operating expenses other than depreciation	(38,454,116)	(34,137,979)
Interest expense	-	(704,326)
Interest income	1,719,801	737,097
Reversal of (provision for) doubtful accounts	(1,650,397)	(1,754,194)
Other income, net	784,945	293,474
Excess of receipts and other income over costs and operating expense other than depreciation expense	26,719,626	29,834,938
Depreciation expense	(12,762,201)	(11,150,632)
Excess of receipts (expenses) over receipts before income tax expenses	13,957,425	18,684,306
Provision for current income tax	(187,500)	(187,500)
Excess of receipts over expenses after income tax expenses	13,769,925	18,496,806

The Club's total receipts for the first quarter, increased by PhP 2.7 Million or 2.9% from PhP 92.3 Million in 2023 to PhP 95.0 Million in the current year, mainly due to higher revenue from green fees, which increased by PhP 2.6 Million or 14.6% from PhP 17.8 Million in 2023 to PhP

20.4 Million in the current year. The increment is caused by the new green fee rate effective June 1, 2023.

Meanwhile, the Club's total cost of goods sold & services and operating expenses other than depreciation registered an increase amounting to PhP 3.8 Million or 14.2% and PhP 4.3 Million or 12.6%, respectively. The increment pertains to equipment maintenance, and payroll-related expenses as a result of increase in manpower complement, CBA increases, and DOLE-mandated minimum wage increase during the 3rd quarter last year.

With the increase in operating revenues and operating expenses, the Club's first quarter income before income tax is at PhP 13.8 Million, which is PhP 4.7 Million or 25.6% lower than prior year's first quarter income before income tax of PhP 18.5 Million.

2024 Second 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:

	2024	2023
Members' dues and fees:		
Maintenance dues	₱ 37,471,902	₱ 37,279,749
Transfer and assignment fees	10,524,000	9,064,583
Total members' dues and fees	47,995,902	46,344,332
Clubhouse operations:		
Green fees	14,787,409	14,701,009
Golf cart fees	10,391,592	10,610,227
Concessionaire's fee	2,712,501	2,554,803
Tournament fees	629,823	1,119,377
Recreational facilities fees	2,037,877	1,539,373
Alcoholic drink sales	1,100,814	1,217,964
Facilities rental	1,788,643	1,286,973
Driving range fees	753,169	782,008
Proshop commission	617,576	642,073
Proshop sales	477,740	464,676
Others-net	2,115,924	545,773
Total revenue from Clubhouse operations	37,413,068	35,464,256

Total receipts	85,408,970	81,808,588
Cost of goods sold and services	(34,262,968)	(34,217,103)
Excess of receipts over cost before operating expense, other income and depreciation expense	51,146,002	47,591,485
Operating expenses other than depreciation	(40,804,657)	(35,139,192)
Interest expense	-	(769,466)
Interest income	2,437,502	2,090,577
Reversal of (provision for) doubtful accounts	374,873	(671,724)
Other income, net	3,554,335	1,978,534
Excess of receipts and other income over costs and operating expense other than depreciation expense	16,708,055	15,080,214
Depreciation expense	(13,169,276)	(11,066,474)
Excess of receipts (expenses) over receipts before income tax expenses	3,538,779	4,013,740
Provision for current income tax	(187,500)	(187,500)
Excess of receipts over expenses after income tax expenses	3,351,279	3,826,240

The Club's total revenues for the second quarter increased by PhP 3.6 million or 4.4%, rising from PhP 81.8 million in 2023 to PhP 85.4 million this year. This increase is attributed to the disposal of old golf carts amounting to PhP 1.6 million, and a PhP 1.5 million or 16.1% rise in membership fees, increasing from PhP 9.1 million in 2023 to PhP 10.5 million this year.

However, operating expenses other than depreciation saw a significant increase of PhP 5.7 million or 16.1%. This increase is primarily due to higher payroll-related expenses stemming from an increase in the manpower complement, collective bargaining agreement (CBA) raises, and the minimum wage increase mandated by the Department of Labor and Employment (DOLE) during the third quarter of last year.

Despite the growth in operating revenues and expenses, the Club's income before income tax for the second quarter amounted to PhP 3.4 million, which is slightly lower by PhP 474 thousand compared to the prior year's second quarter net income before income tax of PhP 3.8 million.

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>2023</i>	<i>2022</i>	<i>2021</i>
1 st Quarter	A	27	5	16
	B	4	2	1
	C	8	2	5
2 nd Quarter	A	20	23	2
	B	3	4	1
	C	8	6	3
3 rd Quarter	A	45	7	0
	B	37	4	0
	C	15	2	0
4 th Quarter	A	14	9	42
	B	7	1	12
	C	6	2	8
Total		194	67	90

<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 2023	P2.4M	P2.5M	P2.5M

(2) Holders

Top Twenty (20) Shareholders

The top twenty (20) Shareholders of the Club as of 31 December 2023 are as follows:

Shareholders	Class, Number and Percentage of Shares Held Per Class		
	Class	Number	Percentage
1. Sta. Lucia Realty & Development Inc.	Class "A"	211	11.72%
	Class "B"	239	34.14%
	Class "C"	43	8.60%
2. ACL Development Corporation	Class "A"	56	3.11%
	Class "B"	62	8.86%
	Class "C"	4	0.80%
3. AFP-RSBS	Class "A"	30	1.67%
	Class "B"	29	4.14%
4. Mango Orchard Development Corporation	Class "A"	25	1.39%
	Class "B"	2	0.29%
	Class "C"	6	1.20%
5. Helena Z. Benitez	Class "A"	21	1.17%
	Class "B"	15	2.14%
6. David M. Dela Cruz	Class "A"	7	0.39%
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. Others - HZB under different names	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		783	
Others – Shareholders with Less than Three Shares	Class "A"	1,443	
	Class "B"	351	
	Class "C"	423	
		3,000	

Percentage of Total Shares Outstanding Held by Top 20 Shareholders

Computed at 783 shares/3,000 outstanding shares, the shareholdings of the Top 20 Shareholders of the Club constitute 26% 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 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.

External Audit Fees

(1) Audit and Audit Fees

The following are the aggregate fees billed for each of the last two fiscal years for professional services rendered by the external auditor for:

- (a) The audit of the registrant’s annual financial statements or services that are normally provided by the external auditor in connection with statutory filings or engagements:

Year	External Auditor	Fees
2023	Isla Lipana & Co. (PWC)	PhP 343,835.85
2022	Isla Lipana & Co. (PWC)	Php 359,782.00

- (b) Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant’s financial statements: NONE

(2) Tax Fees billed by the external auditor related to 2018 Tax Health Check services

2019	Sycip Gorres Velayo & Co.	Php 330,000.00
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(3) All Other Fees

There were no fees billed in each of the last two fiscal years for products and services provided by the external auditor, other than the services reported under items (a) & (b) above.

(4) The Audit Committee’s Approval Policies and Procedures for the Above Services in Section 2, Article III of the Charter of the Audit Committee provides:

Internal and External Auditors. — The Committee shall have direct supervision over the internal and external auditors of the Club, including the duty to:

- Review and appraise the activities of the internal and external auditors;
- Review reports and written communications from the external auditor on all critical accounting policies and practices used, all alternative treatments of financial information within Generally Accepted Accounting Principles that have been discussed with management, the ramifications of the use of such treatments, and the treatments preferred by the external auditor;
- Evaluate and determine non-audit work performed by external auditors in relation to their significance and to the total expenditures on consultancy services;
- Disclose non-audit work performed by external auditors in the Annual Report of the Club;
- Review and pre-approve all audit plans, scope, and frequency within one (1) month before the conduct of internal and external audit;

- Provide an open avenue of communication among the external and internal auditors, financial and senior management, and the Board of Directors;
- Elevate to international standards the accounting and auditing processes, practices and methodologies employed by the Club, including the development of a definitive timetable within which the accounting system of the Club will be one hundred percent International Accounting Standards compliant, and an accountability system that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task; and
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Club through a step-by-step procedures and policies handbook that will be used by the Club.

The accounting firm of Isla Lipana & Co. (PWC), with address at 29/F, Philamlife Tower, 8767 Paseo de Roxas, Makati, 1227 Metro Manila, has been the Club's Auditors and Reporting Accountants for the last two (2) years of audit.

Directors and Officers

Principal occupation or employment of each such person; Name and Principal Business of any organization by which such person is employed.

Name	Position in Club	Principal Employment/ Occupation	Name and Principal Business of Organization by Which Such Person is Employed
Vincente R. Santos	Director and Chairman; Nominee for Director	Businessman	Sta. Lucia Realty & Development Inc. and Sta. Lucia Land, Inc.
Tomas Julio A. Benitez	Director and President/CEO Nominee for Director	Businessman	Self-Employed/Entrepreneur
Henry T. Cua Loping	Director and Treasurer; Nominee for Director	Businessman	ACL Development Corporation
Exequiel D. Robles	Director and Corp. Secretary; Nominee for Director	Businessman	Sta. Lucia Realty & Development Inc. and Sta. Lucia Land, Inc.
Philip L. Go	Independent Director Nominee for Independent Director	Businessman	Builders 2000 and Specificque Garment Manufacturing Inc.
Jose Arturo M. Tugade	Independent Director Nominee For Independent Director	Businessman	Perry's Fuel Distribution Inc.
Jose S. Gonzales	Independent Director; Nominee for Independent Director	Retired	
Jose Emilio P. Famy	General Manager & COO	Accountant	The Orchard Golf & Country Club, Inc.

Chiles Megan M. Areño	Assistant Compliance Officer; Second Asst. Corp. Secretary	Lawyer	Lu Mamañgun Juco & Alamis Law Office
Irene G. Patricio	Finance Manager & Principal Accounting Officer	Accountant	The Orchard Golf & Country Club Inc.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

During the 2023 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.

Discussion on Compliance with Leading Practices on 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 a Board Risk Oversight 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 Board Risk Oversight Committee, 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.

THE ORCHARD GOLF & COUNTRY CLUB, INC.

SUMMARY OF MATTERS TAKEN UP DURING
THE 2023 ANNUAL SHAREHOLDERS' MEETING

The 2023 Annual Shareholder's Meeting of The Orchard Golf and Country Club, Inc. (the "Club") was held in person and via remote communication through videoconferencing and live streaming on 14 October 2023.

The following matters, acts and resolutions were discussed and adopted during the 2023 Annual Shareholders' Meeting:

I. INTRODUCTION

The moderator informed all attendees that the Club's Remote Communication Guidelines, Election Guidelines, the Minutes of the 2022 Annual Shareholders' Meeting, and the reports for the preceding year, have all been posted on the Club's website and are all available for downloading.

II. READING AND APPROVAL OF THE MINUTES OF THE 2022 ANNUAL SHAREHOLDERS' MEETING

A motion was made asking that the reading of the minutes of the Annual Shareholders' Meeting held on 8 October 2022 be dispensed with, considering that copies thereof have been distributed to all the Club's shareholders prior to the meeting.

With the motion having been duly seconded, and there being no objection thereto, the same was approved, and the reading of the minutes of the previous year's meeting was dispensed with.

On further motion, which was likewise duly seconded, the minutes of the Annual Shareholders' Meeting held on 8 October 2022 was approved as presented.

III. REPORTS OF THE PRESIDENT AND THE GENERAL MANAGER

The President & CEO, Mr. Tomas Julio A. Benitez, reported on the following matters:

- With high inflation affecting the country's economy saw a rise in operating expenses but the Management demonstrated tremendous diligence in allocating resources and identifying priority projects to ensure efficient service, positive financial results and member satisfaction.
- The Club's share values have almost doubled the share values in 2019 despite high inflation and other challenges experienced by the economy.
- The Club has completed several projects and improvements in 2023 with the help of the Board of Directors, the Club's managers, staff and employees.
- For facility improvements, the Club built a golf cart staging area was built to manage the Club's expanding golf cart fleet, which has grown from 183 to 216 carts; commenced the Course Lighting Project, which currently has 39 additional lamp posts in Player 15 and 16 and Palmer 10, 11, 12, 15 and 16; constructed the Golfers Veranda Stairs to enhance the convenience and accessibility of all dining areas; embarked on the Automatic Fire Suppression System Project; and started Phase 2 of the Solar Power Project with a projected savings of PhP 2.3 Million in electricity cost after its completion.

- For golf course improvements, the Club developed TifEagle Nurseries on Palmer 17 and 15 and Player 10; harvested from Palmer 17 to replace zoysia and paspalum contamination in Palmer greens and collars; harvested from its Paspalum Nursery on Player 15 to replace Bermuda 419 on the greens of Player; harvested from the Zoysia Nurseries on Player 18 and on the Practice Range to patch Palmer and Player tees, the transition of Palmer 1 and 2 fairways, and in sodding tees, fairways and the faces of renovated bunkers; the trees along Player 1 to 9 were converted to Zoysia; and expanded the fairways by planting Zoysia on fairway-rough transitions of Palmer Holes 1 to 4.
- The Club's bunker renovation works are at 85.42% completion as of 12 September 2023, with 17 completely renovated bunkers in Palmer.
- For irrigation improvements, the Club upgraded satellite controllers; rewired powerlines at Player Back 9; replaced sprinklers; reduced water leaks; and installed additional Advanced Draining System at Palmer 2, 4, 5, 6, 8, 9, 15 and 17 to address ponding and soggy area.
- The Club purchased a Toro Ground Master 400D, a Kubota Tractor, four (4) units of the Flex 1021, and thirty (30) brand new units of Tempo 2-seater golf carts as part of the Club's regular re-fleeting program.
- The Club conducted or participated in the following notable programs and activities: The Philippine Golf Course Management Conference; The Conrado Benitez II Educational Assistance Program; The Philippine Airlines Interclub Competition; ISO 9001-2015 Certification; and Valued recognition from the Department of Natural Resources Environmental Management Bureau for the Club's efforts in collecting garbage in the Club's property and waterways.

The General Manager, Mr. Jose Ernilo P. Famy, then reported on the following matters:

- The Club had remained faithful in its commitment to becoming a premier golf club in the Philippines and was able to get back on track and even surpassed records set in previous years despite setbacks.
- The Club's share prices have significantly increased over the years and in-house share prices are now selling at an all-time high of PhP 4 Million, PhP 4.5 Million and PhP 5 Million for Class "A," "B," and "C" shares, respectively.
- The Club's dynamic golf operating approach expanded golf rounds by a record-breaking 102,807 rounds which is the first time in its 28-year history that the Club was able to breach the 100 Thousand mark in golf rounds.
- The Club topped the 2022 Golf Rounds Survey among eighteen (18) golf clubs in the industry by a substantial 10,503 golf rounds lead.
- The Club recorded a total of 19,706 guest rounds which is higher by 49% than the previous year.
- The Club experienced a change in membership demographics since prior to the pandemic, more than 60% of the Club's membership comprised of senior citizens but at present, majority or 52% of the Club's members belong to the age bracket of 40 to 50 years old.
- The Club's active golf players have increased from 1,200 to 1,400 out of more than 2,400 members.
- The Club set another record of 235 membership transactions, which includes 134 transfer of shares and 62 assignment of playing rights.
- The Club delivered a solid and stable financial performance in 2022- achieved a 13% growth or PhP 996 Million increase in total assets; a 13% or PhP 759 Million increase in members' equity;

a 28% or PhP 17 Million increase in cash balance; a 28% increase in gross revenue; limited 11% increase in expenses; and gross profit increased by 75%.

- The Club's gross profit of PhP 76.3 Million allowed the funding of capital expenditure requirements during the year, which totaled to PhP 50.1 Million.
- The Club is expected to achieve more milestones in the succeeding year.
- The Club's projections include membership share values to further appreciate as demand for shares continue to outnumber supply; total golf rounds reaching 108,963, with average monthly rounds reaching 9,000.
- The Club's gross revenue is projected to reach PhP 444 Million, while operating expenses are projected to be at PhP 359.8 Million.
The Club's total cash balance which, as of 31 August 2023, stood at PhP 159.4 Million, 68% higher than the previous year of the same month.
- The consolidated efforts and initiatives of the Club, its employees, and members paved the way for the noted significant improvements in the Club's performance.

IV. APPOINTMENT OF EXTERNAL AUDITOR

Isla Lipana & Co. (PWC) was appointed as the Club's external auditor for the ensuing fiscal year.

V. ACTS OF MANAGEMENT AND RESOLUTIONS OF BOARD OF DIRECTORS

All acts and resolutions of the Board of Directors and all acts of Management from the Annual Shareholders' Meeting held on 8 October 2022 until the present meeting were duly approved and ratified.

VI. AMENDMENTS TO THE BY-LAWS

Section 2, Article VIII and Section 3(a)(ii) and (iii), Article II of the By-laws were proposed to be amended in order to make the provisions clearer and compliant with t

The proposed amendment on Section 2, Article VIII of the By-laws to make the provision consistent and compliant with the Revised Corporation Code, which requires a director to be a registered shareholder of the corporation and to clarify that a Corporate Nominee, being a director or executive officer, may vote the share held by the juridical entity he is representing was duly approved and ratified.

The proposed amendments on Section 3(a)(ii) and (iii), Article II to clarify that the juridical entity must be the registered shareholder and not the Corporate Nominee or Corporate Assignee were also duly approved and ratified.

VII. ELECTION OF DIRECTORS

Since the guidelines for the conduct of the election of directors and for the appreciation of ballots have been distributed to all shareholders of record prior to the meeting, Mr. Jamora, with the consent of the other members of the Election Committee, dispensed with the reading of the said guidelines.

Mr. Jamora proceeded to announce the results of the final canvass of votes garnered by each candidate, as follows:

(a)	Mr. Exequiel D. Robles	-	2,238 votes
(b)	Mr. Vicente R. Santos	-	2,194 votes
(c)	Mr. Henry Cua Loping	-	2,173 votes
(d)	Mr. Tomas Julio A. Benitez	-	2,133 votes
(e)	Mr. Philip L. Go	-	1,922 votes
(f)	Mr. Jose S. Gonzales	-	989 votes
(g)	Mr. Jose Arturo M. Tugade	-	970 votes

VIII. ADJOURNMENT

There being no other business to transact or matter to discuss, and on motion duly made and seconded, the Chairman of the Board of Directors, Mr. Vicente R. Santos, declared the meeting adjourned.



**The Orchard Golf & Country Club, Inc.
NOTICE OF THE ANNUAL SHAREHOLDERS' MEETING OF 2024**

To All Members-Shareholders:

The 2024 Annual Shareholders' Meeting and Election of Directors ("ASME") will be held through a hybrid format which would be **in person and via remote communication through Zoom at 10:00 A.M. on 12 October 2024.**

The following agenda shall be taken up in the meeting:

1. Proof of the required notice of the meeting or waiver of such notice;
2. Proof of the presence of a quorum;
3. Appointment of Inspectors of Election to serve until the close of the meeting;
4. Reading and approval of the minutes of the last meeting;
5. Report of the President;
6. Election of Directors;
7. Unfinished business;
8. Appointment of External Auditors;
9. Approval of Acts of Management;
10. Other matters; and
11. Adjournment.

Your attendance and participation in the meeting is encouraged. **The Registration Period for participation via remote communication run for three (3) days from 8:00 A.M. on 9 October 2024 to 5:00 P.M. on 11 October 2024.**

Shareholders must notify the Corporate Secretary through the Secretariat of their intention to participate in the ASM via remote communication, and to exercise their right to vote *in absentia* by no later than 5:00 P.M. of 11 October 2024, by sending the documentary requirements addressed to the Secretariat via:

- (a) Email to orchardasme2024@gmail.com;
- (b) Special courier to Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite;
- (c) Viber through 0917 883 4749 and
- (d) Facebook Messenger through direct message Orchard ASME 2024.

In the event that you will be unable to attend the meeting, kindly submit a duly accomplished proxy form, a copy of which is enclosed. Please be advised that all proxies must be submitted to the Club on or before **5 P.M. on 8 October 2024**. Proxies may be submitted physically to the Secretariat, or by email with subject "Proxy – Name of the Shareholder and Name of the Proxy". The proxy form shall contain the wet or manual signature of the shareholder.

Address: The Orchard Election Committee
c/o The Membership Office
The Orchard Golf & Country Club
Km.27 Aguinaldo Highway, Salawag,
Dasmariñas City, Cavite

Email: billingtheorchard@gmail.com; or
orchardasme2024@gmail.com


Proxy validation shall be held on 10 October 2024.

The Official Ballot will be given to each regular member in good standing upon registration prior to the meeting. Only Official Ballots issued by the Club shall be recognized.

Shareholders may vote in person, through remote communication or in *absentia* as soon as they have successfully registered and have received the official ballot, and until **10:30 A.M. on 12 October 2024**, the day of the meeting. Any votes sent and/or received thereafter shall not be counted.

Copies of the Club's Financial Statements and By-laws are available upon request at the Membership Office. Guidelines for registration, participation via remote communication and voting in *absentia*, submission of proxies, and other information regarding the 2024 ASM are available at www.theorchardgolf.com/2024asme.

Thank you.

A handwritten signature in black ink, appearing to read 'Megan Areño', written over the printed name.

CHILES MEGAN AREÑO
Second Asst. Corporate Secretary

Item 3. Revocability of Proxy

This proxy shall be valid for the Annual Shareholders' Meeting scheduled on 12 October 2024 or any postponements or adjournments thereof, and for Annual Shareholders' Meetings thereafter, for a maximum period of five (5) years. This proxy may be revoked by the undersigned shareholder by: (a) submitting a written instrument containing the wet signature of the undersigned shareholder reflecting his or her intention to revoke this proxy; or (b) submitting a later proxy in favor of another. All documents for the revocation of proxies may be sent to billingtheorchardgolf@gmail.com or orchardasme2024@gmail.com, with the original hard copy delivered to the Corporate Secretary on before 12 o'clock in the afternoon of 10 October 2024 for purposes of the Annual Shareholders' Meeting on 12 October 2024, or such other dates as may be prescribed by the Board of Directors for Annual Shareholders' Meetings thereafter. Should the undersigned shareholder register his or her personal attendance and intention to vote in person at the start of the Annual Shareholders' Meeting, this proxy shall be suspended for the particular meeting attended by the undersigned shareholder but shall nonetheless remain valid for succeeding shareholders' meetings within its validity period.

Member's Signature over Printed Name

Date

THIS PROXY IS BEING SOLICITED ON BEHALF OF MANAGEMENT.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSE S. GONZALES**, Filipino, of legal age, and with resident of 308 Lychee Street, Orchard Townhomes, Dasmarina City, Cavite, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I have been an Independent Director of the Club since 2019.

3. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
The Orchard Golf & Country Club, Inc.	Member	1994 to Present
Orchard Seniors Golfers Association, Inc.	President	2019
Rotary Club of Bacoor	Member	2021 to Present

4. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

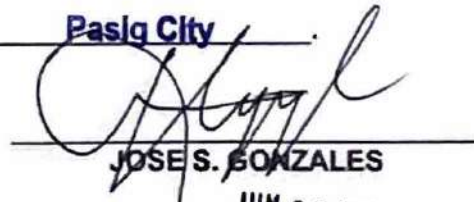
5. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

8. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this ___ day of JUN 28 2024 2024 at Pasig City.


JOSE S. GONZALES

SUBSCRIBED AND SWORN to before me this ___ day of JUN 28 2024 2024 at Pasig City, affiant personally appeared before me and whom I identified through his Senior Citizen ID No. 23900 issued at Dasmarina City, Cavite, on 30 September 2010.

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Book No. X
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ATTY. CHILES MEGAN M. AREÑO
Notary Public for Pasig City
Appointment No. 151 (2023-2024)
IBP OR No. 374343; 12.25.2023; RSM
PTR OR No. 0174004; 01.05.2024; Pasig City
MCLE Compliance No. VII-0004079; 07.21.2021
2304 Antel Global Corporate Center,
Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSE ARTURO M. TUGADE**, Filipino, of legal age, and with residence at No. 295 Cuenca Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I have been an Independent Director of the Club since 2023.

3. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations): (see attached CV)

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
The Orchard Golf & Country Club, Inc.	Member	Year to Present

4. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC Issuances.

5. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC Issuances.

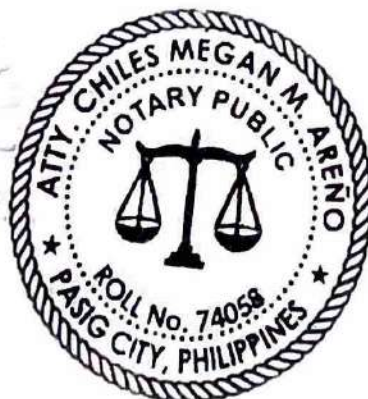
8. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this ___ day of ~~JUN 28 2024~~ 2024 at Pasig City

JOSE ARTURO M. TUGADE

SUBSCRIBED AND SWORN to before me this ___ day of JUN 28 2024 2024 at Pasig City, affiant personally appeared before me and whom I identified through his TIN No. 229-970-783-000.

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 Book No. X
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ATTY. CHILES MEGAN M. AREÑO
 Notary Public for Pasig City
 Appointment No. 151/(2023-2024)
 IBP OR No. 374343; 12.25.2023; RSM
 PTR OR No. 0174004; 01.05.2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PHILIP L. GO**, Filipino, of legal age, and resident of No. 38 Rosario Drive, Cubao, Quezon City, after having been duly sworn to in accordance with the law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc. (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I have been an Independent Director of the Club since 2023.

3. I am affiliated with the following companies, organizations, entities, and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Free Masonry Philippines	Member	1980 to present
The Orchard Golf and Country Club, Inc.	Member	1995 to present
Asiawealth Properties, Inc.	Chairman and Treasurer	1995 to Present
Builders 2000, Inc.	Chairman	1993 to present
Triple Capricorn, Inc.	President	1995 to Present
Monterazas Homeowners' Association, Inc.	Homeowner Treasurer	1983 to present 2024
Valle Verde Country Club, Inc.	Member	2001 to Present
Southwoods Golf & Country Club, Inc.	Member	2000 to Present

4. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

5. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

6. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

8. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this ___ day of JUN 28 2024 2024 at Pasig City

[Signature]
PHILIP L. GO

SUBSCRIBED AND SWORN to before me JUN 28 2024 day of _____ 2024 at Pasig City, affiant personally appeared before me and whom I identified through his

SENIOR ID NO. 21146.

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[Signature]
ATTY. CHILES MEGAN M. ARENU
Notary Public for Pasig City
Appointment No. 151 (2023-2024)
IBP OR No. 374343; 12.25.2023; RSM
PTR OR No. 0174004; 01.05.2024; Pasig City
MCLE Compliance No. VII-0004079; 07.21.2021
2304 Antel Global Corporate Center,
Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ALFREDO B. ESPINO**, Filipino, of legal age, and with resident of No. 4 Ipil Street, Manila Doctors Village, Almanza, Las Piñas City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
MIT CE-EnSE Alumni Association	Director	1992 to 1993
Philippine Society of Sanitary Engineers	President	1994 to 1996
Free and Accepted Mason of the Philippines	Member	1992 to present
Water Environment Association of the Philippines	Member	1996 to present
The Orchard Golf and Country Club, Inc.	Member	2012 to present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.


4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

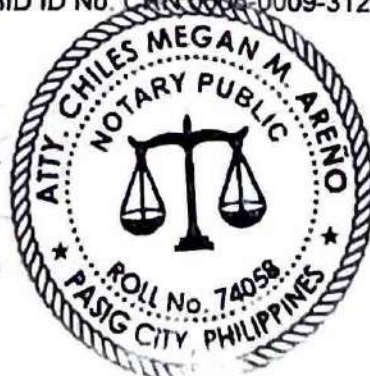
7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 2 day of JUN 28 2024 2024 at Pasig City


ALFREDO B. ESPINO

SUBSCRIBED AND SWORN to before me this JUN 28 2024 2024 at Pasig City, affiant personally appeared before me and whom I identified through his UMID ID No. CRN 0006-0009-3121-2.

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 Book No. X
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ATTY. CHILES MEGAN M. AREÑO
 Notary Public for Pasig City
 Appointment No. 151 (2023-2024)
 IBP OR No. 374343; 12/25/2023; RSM
 PTR OR No. 0174004; 01/05/2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CELESTIN L. KO**, Filipino, of legal age, and with residence at No. 302 Guava Drive, Orchard Townhomes, Salitran IV, Dasmariñas City, Cavite, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
The Orchard Golf & Country Club, Inc.	Member	2019 to Present


3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this ___ day of JUN 28 2024 2024 at Pasig City

 CELESTIN L. KO

SUBSCRIBED AND SWORN to before me this ___ day of JUN 28 2024 2024 at Pasig City, affiant personally appeared before me and whom I identified through his Passport P5620828A.

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 Page No. 74
 Book No. X
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ATTY. CHILES MEGAN M. AREÑO
 Notary Public for Pasig City
 Appointment No. 151 (2023-2024)
 IBP OR No. 374343; 12.25.2023; RSM
 PTR OR No. 0174004; 01.05.2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOSE C. LALISAN JR.**, Filipino, of legal age, and with resident of 4 Laurel Street, Vista Grande BF Resort, Las Piñas City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
EEI	Security Consultant	2016-present
PMA Foundation, Inc.	Trustee	2024-present
PMA Educational Trust Foundation	Trustee	2024-present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this JUN 28 2024 day of June 2024 at Pasig City.



 JOSE C. LALISAN JR.

SUBSCRIBED AND SWORN to before me this JUN 28 2024 day of June 2024 at Pasig City, affiant personally appeared before me and whom I identified through his (Driver's License) ID No. 305697500.

Doc No. 363
 Page No. 75
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 ATTY. CHILES MEGAN M. AREÑG
 Notary Public for Pasig City
 Appointment No. 151 (2023-2024)
 IBP OR No. 374343, 12.25.2023; RSM
 PTR OR No. 0174004; 01.05.2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JULIO FELINO M. MANALO**, Filipino, of legal age, and with residence at No. 127 Pili Drive, Ayala Alabang, Muntinlupa City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
The Orchard Golf & Country Club, Inc.	Member	2017 to Present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.


4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this day of ~~JUN 28 2024~~ JUN 28 2024 at Pasig City .



JULIO FELINO M. MANALO

SUBSCRIBED AND SWORN to before me this JUN 28 2024 day of 2024 at Pasig City , affiant personally appeared before me and whom I identified through his Philippine Passport No. P8221520A.

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Page No. 74
Book No. X
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ATTY. CHILES MEGAN M. ARENG
Notary Public for Pasig City
Appointment No. 151 (2023-2024)
IBP OR No. 374343; 12.25.2023; RSM
PTR OR No. 0174004; 01.05.2024; Pasig City
MCLE Compliance No. VII-0004079; 07.21.2021
2304 Antel Global Corporate Center,
Julla Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RENATO S. RAMOS**, Filipino, of legal age, and with resident of 1504B Renaissance 3000 Meralco Avenue Pasig City 1605, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
The Orchard Golf & Country Club Inc.	Member	2007-Present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.


4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this ___ day of JUN 28 2024 2024 at Pasig City



 RENATO S. RAMOS

SUBSCRIBED AND SWORN to before me this ___ day JUN 28 2024 2024 at Pasig City, affiant personally appeared before me and whom I identified through his Drivers License I.D. No.D16-95-123222.

Doc No. 358
 Page No. 74
 Book No. X
 Series of 2024.




 ATTY. CHILES MEGAN M. AREÑO
 Notary Public for Pasig City
 Appointment No. 151 (2023-2024)
 IBP OR No. 374343; 12.25.2023; RSM
 PTR OR No. 0174004; 01.05.2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILBERT T. YOUNG**, Filipino, of legal age, and with resident of The Grove BY Rockwell Tower B 5 10 E. Rodriguez Avenue C-5 Barrio Ugong Pasig City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
WCY CORPOPRATION	Independent Director	2 yearsP

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

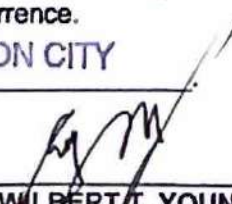
4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this JUN 27 day of 2024 at QUEZON CITY


WILBERT T. YOUNG

SUBSCRIBED AND SWORN to before me this JUN 27 day of 2024 at QUEZON CITY, affiant personally appeared before me and whom I identified through his Passport P8508570A issued 28 August 2018 at Manila, Philippines and expiring 27 August 2028.

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 Book No. XXXX
 Series of 2024.

ATTY. RIZAL JOSE F. VALMORES
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2024
 ADM. MAILING NO. 163
 PTR NO. 191940 / 01-02-2024 / Q.C.
 IBP NO. 329024 / 12-15-2023 / Q.C.
 ROLL NO. 28435
 MCLE NO. VIII-0006500 / 05-07-2024
 Add. Room 201 Margarita Bldg. No. 18
 Matalino St. cor. Masikap Ext. Central Dist. Q.C.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RAUL R. CORRO**, Filipino, of legal age, and with resident of Block 96, Lot 6, Arellano Avenue Katarungan Village Muntinlupa City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Divina Law Office	Consultant	2006-Present
OSGAI	President	2022- Present
City Government of Muntinlupa	City Councilor	1998-2007; 2010-2016, 2019- present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.


4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this JUN 28 2024 of June 2024 at Dasmariñas, Cavite.



 RAUL R. CORRO

SUBSCRIBED AND SWORN to before me this ___ day of JUN 28 2024 2024 at _____, affiant personally appeared before me and whom I identified through his (Driver's License) ID No. 1167-85-009127.

Doc No. 362
 Page No. 75
 Book No. X
 Series of 2024.




 ATTY. CHILES MEGAN M. AREÑO
 Notary Public for Pasig City
 Appointment No. 151 (2023-2024)
 IBP OR No. 374343; 17.25.2023; RSM
 PTR OR No. 0174004; 01.05.2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CHONG HYUN PARK**, Korean, of legal age, and with resident of 305 Pansipit St. Ayala Alabang Village Muntinlupa City, Metro Manila after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Kuje International London, UK	President & CEO	1978 - 1982
Kuje Group	Head, Asian Group Singapore	1982 - 1987
Tong Yang Group in Korea	Executive Vice President	1988 - 1991
Tong Yang Group in Tokyo	Head, Japan Operations	1992 - 1995
Tong Yang Group & Orion Savings Bank - Manila	Asean Head, Chairman	1995 - 2004
Oslo Venture Corp., Manila	Chairman & CEO	2004 - 2016

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

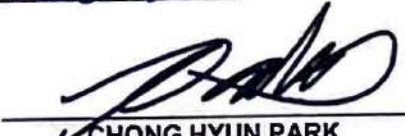
4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this ___ day of JUN 20 2024 2024 at Pasig City


CHONG HYUN PARK

SUBSCRIBED AND SWORN to before me JUN 20 2024 day of _____ 2024 at Pasig City, affiant personally appeared before me and whom I identified through his Passport ID No. M99387115

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Page No. 34
Book No. X
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ATTY. CHILES MEGAN M. AREÑO
Notary Public for Pasig City
Appointment No. 151 (2023-2024)
IBP OR No. 374343; 12.25.2023; RSM
PTR OR No. 0174004; 01.05.2024; Pasig City
MCLE Compliance No. VII-0004079; 07.21.2021
2304 Antel Global Corporate Center,
Julia Vargas Ave., Ortigas Center, Pasig City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ALFREDO C. LIM**, Filipino, of legal age, and with resident of No.52 Rocha Street BF Executive Village Parafiaque City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of The Orchard Golf & Country Club, Inc., (the "Club") for its Annual Shareholders' Meeting and Election of Directors to be held on 12 October 2024, or any postponement thereof.

2. I am affiliated with the following companies, organizations, entities and institutions (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Chavez Hechanova and Lim Law Offices	Managing Partner	2022 up to present
PHPC Co. Ltd.	Chairman and CEO	2022 - 2024

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Club, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, and other SEC issuances.

4. I am not related to any director, officer, or substantial shareholder of the Club, and/or its subsidiaries and/or affiliates, other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of the Club of any changes in the abovementioned information within five (5) days from its occurrence.

Done this day of JUN 28 2024 at Pasig City.



ALFREDO C. LIM

SUBSCRIBED AND SWORN to before me this JUN 28 2024 2024 at Pasig City, affiant personally appeared before me and whom I identified through his Senior Citizen ID No. 26441.

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ATTY. CHILES MEGAN M. ARENO
 Notary Public for Pasig City
 Appointment No. 151 (2023-2024)
 IBP OR No. 374343; 12.25.2023; RSM
 PTR OR No. 0174004; 01.05.2024; Pasig City
 MCLE Compliance No. VII-0004079; 07.21.2021
 2304 Antel Global Corporate Center,
 Julla Vargas Ave., Ortigas Center, Pasig City

THE ORCHARD GOLF & COUNTRY CLUB, INC.
2024 ANNUAL SHAREHOLDERS' MEETING
12 October 2024, 10:00 A.M.

GUIDELINES FOR HYBRID FORMAT

Section 1. Registration

- 1.1 The 2024 Annual Shareholders' Meeting and Election of Directors ("ASME") will be held in person and via remote communication at 10:00 A.M. on 12 October 2024 through Zoom Webinar.
- 1.2 The Registration Period for participation via remote communication shall run for two (2) days from 8:00 A.M. on 9 October 2024 to 5:00 P.M. of 10 October 2024.
- 1.3 The Registration Period for physical or in-person attendance shall be until 10:00 A.M. of 12 October 2024, the day of the ASME.
- 1.4 The record date for the determination of shareholders in good standing who are entitled to attend and vote at the ASME and any adjournment thereof shall be 8 October 2024 at 5:00 P.M.
- 1.5 Shareholders must notify the Corporate Secretary through the Secretariat of their intention to participate in the ASM via remote communication, and to exercise their right to vote *in absentia* by no later than 5:00 P.M. of 10 October 2024, by sending the documentary requirements addressed to the Secretariat via:
 - (a) Email to orchardasme2024@gmail.com;
 - (b) Special courier to Km. 27 Aguinaldo Highway, Salawag, Dasmariñas City, Cavite;
 - (c) Viber through 0917 883 4749 and
 - (d) Facebook Messenger through direct message Orchard ASME 2024.
- 1.6 The following complete and accurate documents MUST BE SENT TO AND RECEIVED BY the Office of the Corporate Secretary through the Secretariat no later than 5:00 P.M. of 10 October 2024:
 - (a) For Individual Shareholders
 - (i) A clear copy of one of the shareholder's valid government-issued ID (including, but not limited to, passport, driver's license, unified

multipurpose ID, professional license) showing the shareholder's photo, signature and personal details, preferably with his residential address; and

(ii) Active email address and contact number of the shareholder.

(b) For Corporate Shareholders

(i) A duly notarized Secretary's Certificate of the board resolution appointing and authorizing the named representative as its nominee to attend the ASM;

(ii) Valid government-issued ID of the authorized nominee; and

(iii) Active email address and contact number of the nominee.

(c) For Proxies

(i) The proxy form duly signed by the shareholder must be submitted to the Secretariat on or before 5 P.M. of 8 October 2024;

(ii) Valid government-issued ID of the proxy; and

(iii) Active email address and contact number of the proxy.

1.7 If sending via email, attachments should be clear copies in JPG or PDF format.

1.8 Shareholders or proxies will receive an email from the Secretariat within forty-eight (48) hours from receipt of the documentary requirements (whether the documents were sent by the shareholder via email, special courier, Viber, or Facebook Messenger). The Secretariat's email will either confirm successful registration or require submission of deficient documents. Upon successful registration, the shareholder or proxy shall receive the official ballot form and the link to the Zoom Webinar of the ASM. If you have not received any email reply within the said period, please call the following telephone numbers: (632) 8 982 2000 loc. 2121 or 0917 883 4749.

1.9 Emails sent after 5:00 P.M. on any given day shall be considered as having been sent on the next succeeding day for the purpose of document validation.

1.10 The documents shall be validated by the Office of the Corporate Secretary through the Secretariat, in coordination with and under the supervision of the Election Committee.

Section 2. Proxies

2.1 The period for the solicitation of proxies, which will begin on 18 July 2024, will end at 5 P.M. on 8 October 2024. The Election Committee shall meet on 10 October 2024 to validate such proxies.

- 2.2 Proxies may be submitted by email to billingtheorchardgolf@gmail.com or orchardasme2024@gmail.com with subject "Proxy – Name of the Shareholder and Name of the Proxy" with its original hard copy submitted to the Secretariat on or before 5 P.M. on 8 October 2024. The proxy form shall contain the wet or manual signature of the shareholder. Proxies submitted via email shall be considered received as of the date and time of receipt by the Secretariat of the email.
- 2.3 Proxies may be revoked by:
- (a) submitting a written instrument containing the wet signature of the undersigned shareholder reflecting his or her intention to revoke his or her proxy; or
 - (b) submitting a later proxy in favor of another.
- 2.4 All documents in connection with the revocation of proxies may be sent to billingtheorchardgolf@gmail.com or orchardasme2023@gmail.com with the subject "Proxy Revocation – Name of Shareholder" and must be in either JPG or PDF format, the original hard copy of which shall be delivered to the Corporate Secretary. Proxies may be revoked on or before 12 P.M. on 10 October 2024.

Section 3. Quorum

- 3.1 Only those shareholders who registered in accordance with these Guidelines, together with shareholders who issued valid proxies, will be counted for the purpose of determining a quorum.
- 3.2 The presence of shareholders, in person, by remote communication, or by proxy, representing:
- (a) at least twenty percent (20%) of the outstanding capital stock shall constitute a quorum to transact business;
 - (b) at least a majority of the outstanding capital stock shall constitute a quorum for the election of directors and the amendment of the By-Laws; and
 - (c) at least two-thirds of the outstanding capital stock shall constitute a quorum for the amendment of the Articles of Incorporation.

Section 4. Livestream

- 4.1 The ASME shall be broadcasted live. Shareholders who have registered may participate via remote communication through videoconferencing. Details of the meeting shall be sent to shareholders or proxies as provided in Section 1.7 hereof. Instructions on how to access the livestream will also be posted at www.theorchardgolf.com.

- 4.2 Video recordings of the ASME will be adequately maintained by the Club and will be made available to participating shareholders upon request. Hard Drives, USBs, and other data storage devices must be provided by the shareholder requesting the video recording files.

Section 5. Eligibility to Vote

- 5.1 Any shareholder may vote in the election of directors provided that such shareholder possesses all of the following qualifications:
- (a) The shareholder must be a registered owner of at least one (1) share of stock;
 - (b) In the case of a juridical entity, a duly notarized Secretary's Certificate attesting to the adoption of a board resolution appointing the representative authorized to vote on behalf of such juridical entity must be received by the Corporate Secretary of the Club through the Secretariat on or before 5 P.M. on 8 October 2024;
 - (c) The shareholder must be a member in good standing as of 5 P.M. on 8 October 2024; and
 - (d) In the case of proxies, a duly accomplished proxy instrument with the required supporting documents must be received by the Secretariat not later than 5 P.M. on 8 October 2024.
- 5.2 In determining the eligibility of a shareholder to vote and be voted in the election of directors, the following guidelines will be observed:
- (a) A Corporate Nominee as defined in the By-Laws may vote, provided that he possesses the appropriate proxy from the Corporate Nominator;
 - (b) A Corporate Assignee as defined in the By-Laws may vote, provided that he possesses the appropriate proxy from the Corporate Assignor, but cannot be elected;
 - (c) An Assignee Member as defined in the By-Laws may vote, provided that he possesses the appropriate proxy from his Assignor Member, but cannot be elected; and
 - (d) An Assignor Member may vote but cannot be elected.
- 5.3 Each qualified share of stock shall be entitled to one (1) ballot.
- 5.4 The eligibility or ineligibility of a shareholder to vote shall be determined as of 5 P.M. on 8 October 2024.

- 5.5 To properly apprise all shareholders of their eligibility (or ineligibility) to vote, the Nomination Committee, in coordination with the Secretariat, shall post the Official List of Delinquent Members together with the Official List of Candidates at the Clubhouse Bulletin Board not later than 25 June 2024.

Section 6. *In Absentia* Voting Procedure

- 6.1 Shareholders who have successfully registered shall be notified via email of their log-in details for the ASME. These registered shareholders or their proxies may vote remotely or in absentia.
- 6.2 Shareholders may vote as soon as they have successfully registered for the ASME and upon receipt of the official ballot, but no later than 10:30 A.M. on 12 October 2024.
- 6.3 Voting may be done through email at orchardasme2024@gmail.com:
- (a) Upon receipt of the official ballot via email, the shareholder may vote on each item on the agenda by printing out a copy of the official ballot and manually checking and answering the same.
 - (b) The shareholder has the option to vote "Approved," "Disapproved," or "Abstain" on each agenda item for approval.
 - (c) There shall be seven (7) seats on the Board of Directors, and each official ballot shall be entitled to seven (7) votes. The shareholder shall have the option of cumulating his votes in favor of the candidate or candidates he has chosen.
 - (d) Once the shareholder has finalized his vote, he may submit the official ballot by sending the same in JPG or PDF format to orchardasme2024@gmail.com no later than 10:30 A.M. on 12 October 2024. Any votes sent and/or received thereafter shall not be counted.
 - (e) Shareholders may only vote once.

Section 7. Official Ballot

- 7.1 The preparation of the official ballots shall be governed by the following guidelines:
- (a) The official ballots shall contain, in alphabetical order, the names of the candidates set out in the Official List of Candidates.
 - (b) The official ballots shall be numbered consecutively and bear the signature of the Chairman of the Election Committee.
- 7.2 Official ballots shall be given:
- (a) upon registration if a shareholder or his/her proxy is attending in person; or

- (b) in accordance with Section 6 hereof if a shareholder is attending via remote communication.

Section 8. Proxies

8.1 Shareholders may be represented by proxies in the ASME provided that all the following requirements are present:

- (a) The proxy instrument shall be in writing and shall comply with the requirements of the Revised Corporation Code, the Securities Regulation Code and the Securities and Exchange Commission (SEC).
- (b) The proxy instrument shall be signed by the shareholder.
- (c) The proxy instrument, as validated by the Election Committee, shall be submitted by the Secretariat to the Corporate Secretary before the meeting.
- (d) The proxy instrument need not be notarized; provided that, in the case of a juridical entity, the authority of the nominee to execute a proxy shall be indicated in a duly notarized Secretary's Certificate.
- (e) The proxy instrument may indicate that it shall be valid until the next meeting or until a quorum therefor is obtained, but in no case shall exceed a period of five (5) years from the date of its issuance.
- (f) In executing the proxy instrument, a shareholder shall have the option to authorize his proxy to take delivery of all election materials and required notices, and to exercise discretion to vote for and in behalf of the said shareholder.
- (g) The proxy instrument shall, as far as practicable, substantially comply with all of the requirements set forth in the By-Laws.
- (h) A proxy holder cannot withdraw a proxy instrument submitted to the Secretariat, except upon a duly notarized instrument from his principal conferring authority to withdraw such proxy.

8.2 The following rules, as set forth in SEC Memorandum Circular No. 5, series of 1996, shall be observed:

- (a) Where a proxy is given to two or more persons in the alternative in one instrument, the proxy designated as an alternate can only act as proxy in the event of the non-attendance of the other designated person.
- (b) Where the same shareholder gives two or more proxies, the latest one given is to be deemed to revoke all former proxies.
- (c) A proxy shall be valid only for a meeting for which it is intended, unless otherwise indicated in the proxy.

- (d) Executors, administrators, receivers and other legal representatives duly appointed by the court may attend and vote in behalf of a shareholder without need of any written proxy.
 - (e) In case of shares of stock owned jointly by two or more persons, the consent of all co-owners shall be necessary to appoint or revoke a proxy.
 - (f) For persons owning shares in an "and/or" capacity, one of them may appoint and revoke a proxy.
 - (g) There shall be a presumption of regularity in the execution of proxies, and a proxy shall be accepted if it has the appearance of *prima facie* authenticity in the absence of a timely and valid challenge.
- 8.3 Should the principal register his or her personal attendance and intention to vote in person at the start of the Annual Shareholders' Meeting, the authority of the proxy shall be suspended for the particular meeting attended by the principal but the proxy shall nonetheless remain valid for succeeding shareholders' meetings within its validity period.
- 8.4 The provisions of the Securities Regulation Code and its Implementing Rules and Regulations relating to the validity and appreciation of proxies shall be deemed incorporated herein by reference.

Section 9. Inspectors of Election

- 9.1 The Chairman, may, at his option, appoint two (2) persons to act as Inspectors of Election at the ASME.
- 9.2 The Inspectors of Election shall assist the Election Committee in the conduct of the election.

Section 10. Manner of Voting and Canvassing of Ballots

- 10.1 The members of the Board of Directors shall be elected by secret ballot.
- 10.2 Each shareholder or his proxy shall cast his vote by writing the number of votes opposite the name of each candidate he wishes to vote for.
- 10.3 Except when voting in *absentia* in accordance with these Guidelines, each shareholder or his proxy shall fold his ballot and drop the same in a ballot box prescribed for the purpose. The ballot box shall be opened only after the Election Committee has convened to canvass the election returns in the presence of the Inspectors of Election, if any has been appointed by the Chairman.

- 10.4 Upon closing of the voting period, the Election Committee shall immediately convene to canvass the election returns.
- 10.5 Any protest regarding the conduct of the election must be made before the start of the canvass.
- 10.6 Any protest in connection with the canvassing must be made before the proclamation of the winning candidates.
- 10.7 Protests maybe made verbally but must be recorded by the Election Committee, which must forthwith issue a ruling. In case of a tie, the Election Committee shall break the tie by drawing of lots.
- 10.8 Protests made beyond the periods provided herein shall not be entertained by the Election Committee. All irregularities not raised during the prescribed period shall be deemed waived.
- 10.9 After the Election Committee has completed the canvassing of the ballots and has ruled on all the issues presented to it, the seven (7) candidates with the most number of votes shall be proclaimed as winners.
- 10.10 The foregoing shall be subject to such rules and regulations as the Board of Directors and the Election Committee may prescribe in connection with attendance via remote communication and voting in *absentia*.

Section 11. Appreciation of Ballots

- 11.1 Cumulative voting shall be allowed.
- 11.2 There shall be seven (7) seats in the Board of Directors. Each ballot shall be entitled to seven (7) votes. Each member shall have the option of cumulating his votes in favor of the candidate or candidates he has chosen.
- 11.3 Only the votes cast in favor of those candidates whose names appear in the official ballot shall be tabulated and counted.
- 11.4 Only official ballots with the signature of the shareholder or his proxy shall be counted. Official ballots which do not bear the signature of the member or proxy concerned shall be invalidated.

- 11.5 If a shareholder or proxy votes for one (1) candidate only and the number of corresponding votes is not indicated, seven (7) votes shall be credited to the said candidate.
- 11.6 If a shareholder or proxy votes for one (1) candidate only and the number of the corresponding votes indicated exceed seven (7), only seven (7) votes will be credited in favor of the said candidate.
- 11.7 If a shareholder or proxy votes for one (1) candidate only and the corresponding votes indicated does not exceed seven (7), said candidate shall be credited with such number of votes indicated.
- 11.8 If a shareholder or proxy votes for exactly seven (7) candidates, each chosen candidate shall be credited with one (1) vote.
- 11.9 If a shareholder or proxy votes for more than seven (7) candidates, the ballot shall be invalidated and no vote shall be counted in favor of any candidate.
- 11.10 If a shareholder or proxy votes for more than one (1) candidate and the number of corresponding votes is not indicated, each chosen candidate shall be credited with one (1) vote.
- 11.11 If a shareholder or proxy votes for more than one (1) candidate and the number of corresponding votes indicated does not exceed seven (7), each chosen candidate shall be credited with such number of votes indicated.
- 11.12 If a shareholder or proxy votes for more than one (1) candidate and the number of votes allocated to the chosen candidates exceed seven (7), each chosen candidate shall be credited with one (1) vote only.
- 11.13 The foregoing rules shall be without prejudice to the application of existing jurisprudence or case law in the appreciation of ballots.

Section 12. Questions about Agenda Items

- 12.1 The Club shall allot a maximum of thirty (30) minutes at the ASME to answer questions raised by the shareholders or proxies in person, through email or chat box.
- 12.2 The Chairman, or the appointed moderator, will read queries sent via email or chatbox. The Club will endeavor to answer as many of the questions from shareholders as time will allow, preferably the first ten (10) unique questions raised in person or sent through email or chat box. Each question must come from distinct or different shareholders or proxies.

- 12.3 Shareholders may email their questions regarding any item on the agenda ahead of time to orchardasme2024@gmail.com. The email shall be marked with the subject "ASM 2023 – [Name of Shareholder] Inquiry/Comment". The deadline for these inquiries shall be at 5:00 P.M. of 10 October 2024.
- 12.4 Questions which are received but cannot be read and provided with an answer during the meeting due to time constraints will be answered separately by the Club through email.

For any inquiries or concerns regarding the above Guidelines, please contact the Club's Secretariat at (632) 8 982 2000 loc. 2121 / 0917 883 4749 or via email at orchardasme2024@gmail.com.

For complete information on the annual meeting, please visit www.theorchardgolf.com/2024asme.

THE ORCHARD GOLF & COUNTRY CLUB, INC.

Financial Statements

As of June 30, 2024 (Unaudited) and December 31, 2023 (Audited)
And for the six months ended June 30, 2024 and 2023 (Unaudited)

THE ORCHARD GOLF & COUNTRY CLUB, INC.*(A non-profit organization)*

STATEMENTS OF FINANCIAL POSITION

(All amounts in Philippine Peso)

	(Unaudited)	(Audited)
	June 30, 2024	December 31, 2023
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	₱ 161,540,472	₱ 141,045,110
Receivables, net	15,548,355	19,762,347
Inventories	4,228,647	3,508,768
Prepayments and other current assets	21,455,171	12,281,455
Total current assets	202,772,645	176,597,680
Non-current assets		
Property and equipment, net	465,915,900	472,559,381
Land at revalued amount	8,268,882,000	8,268,882,000
Other non-current assets	14,896,478	8,057,560
Total non-current assets	8,749,694,378	8,749,498,941
Total assets	₱ 8,952,467,023	₱ 8,926,096,621
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Accounts payable and other current liabilities	68,562,754	103,238,874
Contract liabilities	49,807,042	11,050,329
Deposits from assignees and others	12,286,137	11,558,330
Total current liabilities	130,655,933	125,847,533
Non-current liabilities		
Deposits from assignees and others - net of current portion	2,420,000	2,420,000
Deferred income tax liability	2,035,350,850	2,035,350,850
Retirement benefit obligation	6,871,387	10,680,586
Total non-current liabilities	2,044,642,237	2,048,451,436
Total liabilities	2,175,298,170	2,174,298,969
Members' equity		
Capital stock	1,083,103,341	1,083,103,341
Accumulated excess of proceeds over cost from re-issuance of shares of delinquent members	24,287,251	17,044,251
Shares of delinquent members acquired through auctions	(53,439,687)	(54,446,687)
Revaluation increments on land, net	6,106,052,550	6,106,052,550
Remeasurement on retirement benefits, net	(10,591,815)	(10,591,815)
Cumulative excess of expenses over receipts	(372,242,787)	(389,363,988)
Total members' equity	6,777,168,853	6,751,797,652
Total liabilities and equity	₱ 8,952,467,023	₱ 8,926,096,621

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A non-profit organization)

STATEMENTS OF COMPREHENSIVE INCOME

(All amounts in Philippine Peso)

(Unaudited)

	Quarters Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
Members' dues and fees				
Membership dues	₱ 37,471,902	₱ 37,279,749	₱ 73,882,402	₱ 73,410,833
Assignment and transfer fees	10,524,000	9,064,583	27,696,167	27,145,833
Total members' dues and fees	47,995,902	46,344,332	101,578,569	100,556,666
Revenues from clubhouse operations				
Green fees	14,787,409	14,701,009	35,161,622	32,481,529
Golf cart fees	10,391,592	10,610,227	21,260,524	21,088,059
Concessionaire's fee	2,712,501	2,554,803	5,182,296	5,162,188
Recreational facilities fees	2,037,877	1,539,373	3,375,477	2,574,687
Facilities rental	1,788,643	1,286,973	2,943,714	2,705,411
Alcoholic drink sales	1,100,814	1,217,964	2,334,629	2,465,939
Driving range fees	753,169	782,008	1,565,735	1,637,967
Tournament fees	629,823	1,119,377	2,195,809	2,159,649
Proshop commission	617,576	642,073	1,225,120	1,414,444
Proshop sales	477,740	464,676	915,092	933,160
Others-net	2,115,924	545,773	2,680,688	910,882
Total revenue from clubhouse operations	37,413,068	35,464,256	78,840,706	73,533,915
Total receipts	85,408,970	81,808,588	180,419,275	174,090,581
Cost of goods sold and services	(34,262,968)	(34,217,103)	(64,953,882)	(61,098,229)
Excess of receipts over cost before operating expenses, other income and depreciation expense	51,146,002	47,591,485	115,465,393	112,992,352
Operating expenses other than depreciation	(40,804,657)	(35,139,192)	(79,258,774)	(69,277,171)
Interest expense	-	(769,466)	-	(1,473,792)
Interest income	2,437,502	2,090,577	4,157,303	2,827,674
Reversal of (provision) for doubtful accounts	374,873	(671,724)	(1,275,524)	(2,425,919)
Other income, net	3,554,335	1,978,534	4,339,280	2,272,007
Excess of receipts and other income over costs and operating expenses other than depreciation expense	16,708,055	15,080,214	43,427,678	44,915,151
Depreciation expense	(13,169,276)	(11,066,474)	(25,931,477)	(22,217,105)
Excess of receipts over expenses before income tax	3,538,779	4,013,740	17,496,201	22,698,046
Income tax expense	(187,500)	(187,500)	(375,000)	(375,000)
Excess of receipts over expenses after income tax for the year	3,351,279	3,826,240	17,121,201	22,323,046
Basic and diluted earnings per share	₱ 1,261	₱ 1,446	₱ 6,471	₱ 8,430

THE ORCHARD GOLF & COUNTRY CLUB, INC.
(A non-profit organization)

STATEMENTS OF CHANGES IN EQUITY
(All amounts in Philippine Peso)

	(Unaudited)	
	Quarters Ended June 30	
	2024	2023
Capital Stock	₱ 1,083,103,341	₱ 1,083,103,341
Excess of proceeds over cost from re-issuance of shares of delinquent members	24,287,251	4,567,528
Shares of delinquent members acquired through auctions	(53,439,687)	(57,869,964)
Revaluation increment on land - net	6,106,052,550	6,106,052,550
Remeasurement on retirement benefits - net	(10,591,815)	(5,866,381)
Cumulative excess of expenses over members' contributions and fees	(372,242,787)	(402,457,493)
Total Members' Equity	₱ 6,777,168,853	₱ 6,727,529,581

THE ORCHARD GOLF & COUNTRY CLUB, INC.

(A non-profit organization)

STATEMENTS OF CASH FLOWS

(All amounts in Philippine Peso)

	(Unaudited)	
	Six Months Ended June 30	
	2024	2023
Cash flows from operating activities		
Excess of receipts over expenses before income tax	₱ 17,496,201	₱ 22,698,047
Adjustments for:		
Depreciation expense	25,931,477	22,217,105
Retirement benefit cost	1,736,740	3,472,235
Interest income	(4,157,303)	(2,827,674)
Excess of receipts over expenses before working capital changes	41,007,115	45,559,713
Decrease (increase) in:		
Receivables	4,213,992	2,511,128
Inventories	(719,879)	(666,583)
Prepayments and other current assets	(9,173,716)	(3,554,271)
Other non-current assets	(6,838,918)	(11,640,054)
Increase (decrease) in:		
Accounts payable and other current liabilities	(35,051,120)	36,420,054
Contract liabilities	38,756,713	37,043,343
Deposits from assignees and others	727,807	3,123,590
Cash generated from operations	32,921,994	108,796,920
Interest received	3,611,364	1,833,507
Contributions	(5,000,000)	-
Retirement benefits paid	-	(741,925)
Net cash from operating activities	109,888,502	109,888,502
Cash flows from investing activities		
Additions to property and equipment	(19,287,996)	(20,738,921)
Net cash used in investing activities	(19,287,996)	(20,738,921)
Cash flows from financing activities		
Proceeds from sale of Orchard share	8,250,000	-
Net cash provided by financing activities	8,250,000	-
Net increase in cash	20,495,362	89,149,581
Cash and cash equivalents at beginning of the year	141,045,110	77,146,915
Cash and cash equivalents at end of the period	161,540,472	₱ 166,296,496