CLUB ADVISORY

No. 60-2026

Dear Members and Shareholders,

We wish to inform all members and shareholders that, pursuant to **Board Resolution No. 30-2026**, approved during the May 2026 Board Meeting, the Club will implement a **₱500 increase in monthly membership dues, effective January 1, 2027**.

This advisory is being issued well in advance to provide members with sufficient notice and explain the rationale behind the adjustment. The decision follows a comprehensive review of the Club's financial position, operating requirements, industry benchmarks, and long-term sustainability. More importantly, this represents the first increase in monthly membership dues in six (6) years, following the last adjustment in January 2020.

For the past six years, the Club has deliberately maintained its monthly dues despite experiencing one of the most challenging economic periods in recent history. During this time, the Club successfully navigated the effects of the COVID-19 pandemic, global supply chain disruptions, geopolitical conflicts, and persistent inflation, all of which significantly increased the cost of operating and maintaining a premier golf and country club.

From January 2020 to September 2026, cumulative inflation in the Philippines reached approximately 31.8%*****, increasing the cost of golf course equipment, utilities*****, fuel, fertilizers, turf maintenance materials, equipment parts, insurance, and other essential operating requirements. Labor costs also rose following five DOLE regional wage orders implemented from 2022 to October 2026, which increased the applicable daily minimum wage in the region from ₱400 to ₱645***** - a cumulative increase of ₱245 or 61.25%. These mandated adjustments placed additional pressure on contracted service costs, as service providers must cover higher wages and related statutory benefits. Rather than passing these increases fully on to members, the Club absorbed much of the additional cost while maintaining the quality of its golf courses, facilities, and services.

Despite these economic pressures, The Orchard continued to invest significantly in preserving and enhancing the Club for the benefit of its members. From FY 2020 to FY 2025, the Club invested approximately ₱281.36 million in capital expenditures, comprising ₱20.07 million in FY 2020, ₱38.79 million in FY 2021, ₱50.14 million in FY 2022, ₱72.24 million in FY 2023, ₱47.13 million in FY 2024, and ₱52.99 million in FY 2025.

**Please refer to Annex "A" & "A1"*

During the first three quarters of FY 2026, the Club invested an additional ₱42.23 million in capital projects. These investments supported golf course improvements, irrigation and drainage enhancements, turf maintenance equipment acquisitions, clubhouse and facility upgrades, infrastructure rehabilitation, golf cart replacement, and other projects aimed at preserving the Club's standards and continuously enhancing the overall golfing and recreational experience.

In addition to these capital investments, day-to-day operating costs have continued to rise. Total other operating expenses increased from ₱185.55 million in FY 2020 to ₱203.43 million in FY 2021, ₱246.57 million in FY 2022, ₱295.97 million in FY 2023, and ₱346.23 million in FY 2024, before easing slightly to ₱342.00 million in FY 2025. Despite this modest decline, operating expenses remained substantially higher than FY 2023 levels. For the nine months ended September 30, 2026, the Club incurred ₱250.17 million in operating expenses.

These continued investments have helped The Orchard preserve the quality of its championship golf courses despite rising operating costs. This commitment has received international recognition, with Golf Digest ranking the Palmer Course as the No. 2 Best Golf Course in the Philippines and the Player Course as the No. 3 Best Golf Course in the Philippines in 2024. Just recently, our Palmer Course has been adjudged as the Philippines' Best Golf Course by the World Golf Awards 2026. These distinctions reflect the Club's sustained commitment to maintaining high standards of course quality and playing conditions while managing its resources prudently, without resorting to special assessments on members.

While Management has consistently pursued cost-control measures and operational efficiencies, the financial impact of absorbing six years of rising costs has become increasingly evident. The Club recorded a net loss after depreciation of ₱24.53 million in 2024, followed by a net loss of ₱13.37 million in 2025. For the first nine months of 2026, the Club likewise posted a net loss of ₱16.40 million. These results reflect the continuing gap between recurring revenues and the actual cost of operating, maintaining, and improving the Club's facilities and services. Although prudent financial management has helped mitigate these pressures, operational efficiencies alone are no longer sufficient to offset sustained cost increases.

As part of Management's review, a benchmarking survey was conducted among sixteen (16) comparable golf and country clubs. The survey showed that The Orchard currently ranks 12th in terms of monthly dues, with rates of ₱5,500 for Proprietary Members and Nominees and ₱6,000 for Playing Rights Assignees. In comparison, monthly dues at comparable clubs range from approximately ₱6,000 to ₱16,500, with several clubs having implemented increases in recent years. Even after the ₱500 adjustment, The Orchard's monthly dues will remain competitive relative to those of other premier golf and country clubs.**Please refer to the attached survey in Annex "B".*

The dues increase is therefore a necessary and responsible measure to help ensure the Club's long-term financial sustainability. The additional revenue will help The Orchard maintain its

championship golf courses, preserve its facilities, invest in essential infrastructure and equipment, meet increasing operating requirements, and continue delivering the level of service that members have come to expect.

The Board of Directors and Management remain committed to the prudent and transparent stewardship of the Club's resources. Membership dues are reinvested in maintaining and enhancing the facilities, services, and golfing experience that define The Orchard Golf & Country Club.

We sincerely thank all members and shareholders for their continued trust, understanding, and support as we work together to preserve the Club's financial strength and ensure that The Orchard remains one of the premier golf and country clubs in the Philippines for generations to come.

Very truly yours,

THE MANAGEMENT

Annex “A”

HISTORICAL MINIMUM DAILY WAGE ADJUSTMENTS

Year	Wage Order / Effective Date	Daily Increase	New Daily Minimum Wage
2020	No new wage order	—	₱400
2021	No new wage order	—	₱400
2022	IVA-19: June 30 and December 30	₱70 total, in two tranches	₱470
2023	IVA-20: September 24	₱50	₱520
2024	IVA-21: September 30	₱40	₱560
2025	IVA-22: October 5	₱40	₱600
2026	**IVA-23: October 26**	**₱45**	**₱645**

Source: DOLE

NATIONAL CONSUMER PRICE INDEX (CPI) AND CUMULATIVE INCREASE

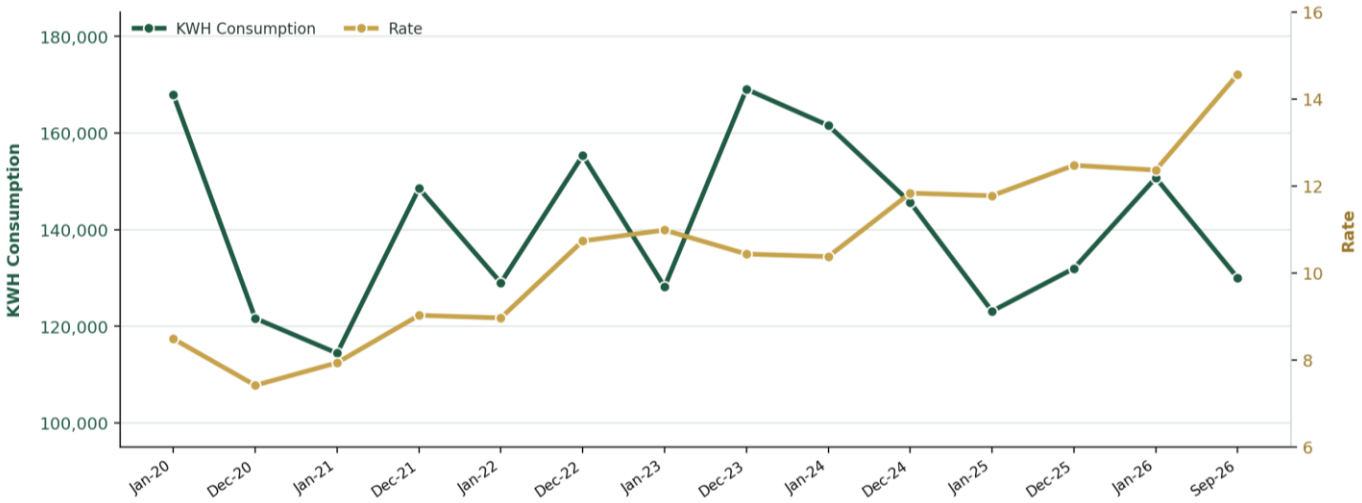
Period	National CPI (2018 = 100)	Cumulative Increase from January 2020
January 2020 – Baseline	104.5	—
January 2021	108.4	3.73%
January 2022	111.7	6.89%
January 2023	121.4	16.17%
January 2024	124.8	19.43%
January 2025	128.4	22.87%
January 2026	131.0	25.36%
September 2026	**137.7**	**31.77% ≈ 31.8%**

Sources: Historical National CPI series and BSP’s published September 2026 CPI

Annex “A1”

ELECTRICITY CONSUMPTION & RATE TREND

January 2020 – September 2026



Note: KWH consumption and rate are plotted on separate vertical axes for clearer comparison.

SOURCE DATA

PERIOD	Jan-20	Dec-20	Jan-21	Dec-21	Jan-22	Dec-22	Jan-23	Dec-23	Jan-24	Dec-24	Jan-25	Dec-25	Jan-26	Sep-26
KWH	167,918	121,653	114,433	148,549	129,018	155,363	128,167	169,070	161,576	145,666	123,128	131,977	150,722	130,022
RATE	8.49	7.42	7.94	9.03	8.97	10.74	10.99	10.44	10.38	11.84	11.78	12.48	12.37	14.57

Annex "B"

MEMBER DUES SURVEY

AS OF OCTOBER 2027

RANK	GOLF CLUB	PROPRIETARY/ NOMINEE	PLAYING RIGHTS/ ASSIGNEE
1	Club A in Laguna	16,500	16,500
2	Club B in Laguna	15,600	15,600
3	Club A in Metro Manila	12,300	12,300
4	Club B in Metro Manila	12,000	12,000
5	Club C in Metro Manila	7,500	8,620
6	Club C in Laguna	7,000	7,000
7	Club A in Cavite	6,500	6,500
8	Club A in Rizal	6,175	6,175
T9	Club B in Cavite	6,000	6,000
T9	Club C in Cavite	6,000	6,000
11	Club D in Cavite	5,679	6,125
12	**The Orchard**	**5,500**	**6,000**
13	Club E in Cavite	4,200	4,200
14	Club B in Rizal	4,000	4,600
15	Club A in Batangas	4,000	4,000
16	Club B in Batangas	3,500	3,500

Source: FEDCOHR Survey