

INFORMATION TO BE FURNISHED TO SECURITY HOLDERS

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with Accountants.

Plan of Operation

The key sources of liquidity of the Club are the assessments generated from membership dues, membership activation fees, assignment and transfer fees, and the revenues generated from other golf-related activities such as green fees, tournament fees and golf cart rentals services. Measures were established to increase these revenues and control the Club's expenses in connection with its operations.

As for the receivables, the Club offers a one-month discount to members who pay their one-year monthly dues in advance and has resorted to collecting membership dues through auction of delinquent memberships in accordance with the Club's By-laws.

With the presence of a collection office in Manila and a billing office in Baguio City, and with the efficient collection efforts and through auction of delinquent memberships, the Club is confident that its cash requirements will be maintained.

The Club is exercising effective financial planning of cash inflow and outflow to be able to sustain its operations. It will impose strict health and safety protocols to keep the Club running and in operation for the rest of the year and be able to timely collect from the Members their dues and charges.

The Club has no plan for any product research and development for the next twelve (12) months. Neither does it expect any purchase or sale of property and significant equipment within the same period. The Club will, however, continue its golf course development projects and upgrade its equipment and facilities as funds become available.

The Club has no planned or intended acquisition (by purchase, lease, or otherwise) of any kind of property within the next twelve (12) months, except for the probable acquisition of golf course maintenance equipment to replace broken down units which are already beyond repair and select renovation projects on the golf course and Clubhouse facilities.

There are no significant changes in the number of the Club's employees, as the manpower requirements of the Club have been met. There is also no expected future hiring of regular employees, except for the hiring of seasonal employees especially in the Golf Operations Department during peak season.

Management's Discussion and Analysis of Financial Condition

Statement of Financial Position

The Club's total assets amounted to ₱458.706 million as of December 31, 2023 which is a slight decrease of 2% or ₱10.181 million compared to ₱468.887 million in the previous year. This is mainly due to the reduction in the net book values of its properties and equipment by ₱26.681 million, or from ₱422.926 million to ₱396.245 million, as a result of depreciation and amortization despite of the increase in current assets of ₱16.500 million.

Current assets increased significantly by 36% or by ₱16.500 million from ₱45.960 million in 2022 to ₱62.461 million in 2023 mainly due to the higher cash balance, and the increase in accounts receivable and merchandise inventory.

Cash amounted to ₱41.404 million as of December 31, 2023 which increased substantially by 31% or by ₱9.685 million compared to ₱31.719 million in 2022. This is mainly due to the increase in cash inflow from operations, collection of one-year advance payment of membership dues and the increase in activation of membership shares acquired through auctions. Accounts receivable also increased from ₱7.619 million in 2022 to ₱12.392 million in 2023 by 63% or by ₱ 4.773 million.

Moreover, inventories increased substantially to ₱4.589 million in 2023, by 97% or by ₱2.255 million from ₱2.334 million in 2022 due to the inventory of Club merchandise in preparation for the upcoming tournaments. Prepayments and other current assets slightly decreased to ₱2.704 million from the previous year's ₱2.975 million mainly due to amortization.

The Club's total liabilities amounted to ₱135.208 million as of December 31, 2023 which is lower by 4% or by ₱5.484 million compared to ₱140.693 million in the previous year. Non-current liabilities slightly decreased by ₱0.661 million, from ₱92.112 million to ₱91.451 million. Moreover, current liabilities of ₱46.927 million has also decreased by 10% or by ₱4.824 million from the ₱48.581 million of the previous year. In particular, accounts payable and other current liabilities decreased by 12% or by ₱5.434 million, from ₱44.798 million in 2022 to ₱39.364 million in 2023.

The Club's non-current liabilities were stated at their fair values using the prevailing market rate at the dates of the respective transactions. This includes refundable deposits, accrued retirement benefits and deferred income tax liabilities. Deferred income tax liabilities amounted to ₱69.128 million as of December 31, 2023 which is lower from the previous year's ₱73.721 million.

Refundable deposits refer to the ₱0.025 million Golf Club Maintenance Deposit ("GCMD") paid by every Club member for golf course upkeep, maintenance, and other related golf club expenses. The GCMD will be returned to the Club members at the end of the Club's lease term in 2047. Refundable deposits, due to their long-term nature, have been discounted to their present value. The difference between the gross amount of deposits and their present value is amortized over the term of the lease, thereby recognizing interest income using the effective interest rate prevailing at the time the liability was established. The amount of discounted deposit is accreted to the estimated future liability based on the effective interest rate method. Interest expense on accretion is recognized directly in the statement of comprehensive income. There were 64 GCMD payments received in 2023.

Statement of Financial Position - Interim as of March 31, 2024

The Club's total assets as of March 31, 2024 amounted to ₱488.255 million which increased by ₱29.549 million or by 6%, from ₱458.706 million as of December 31, 2023. This is mainly due to the significant increase in current assets to ₱91.716 million from ₱62.461 million or an addition of 47% or ₱29.255 million. Furthermore, the Club's property and equipment slightly increased by ₱0.293 million from ₱396.245 million to ₱396.539 million as fixed assets, development in progress and leased properties were added, net of revaluation amortization and depreciation.

Cash and cash equivalents decreased from ₱41.404 million by ₱7.146 million or by 17% to ₱34.258 million while receivables increased from ₱12.392 million to ₱14.432 million. Inventories also decreased by ₱0.719 million or by 16% from ₱4.589 million as of December 31, 2023 to ₱3.870 million as of March 31, 2024.

Prepayments and other current assets significantly increased by ₱35.066 million from ₱2.704 million to ₱37.770 million, mainly due to the collection of advance payments of monthly dues for 2024 and the time deposit placement during the quarter.

The Club's accounts payable and other current liabilities increased by ₱21.570 million or 55%, from ₱39.364 million as of December 31, 2023 to ₱60.934 million as of March 31, 2024. This is mainly due to the additional accruals and the restriction of funds from advance payments of monthly dues from members as of March 31, 2024.

The Club's non-current liabilities decreased by 5% or by ₱4.562 million from ₱91.452 million as of December 31, 2023 to ₱86.889 million as of March 31, 2024. This consists of refundable deposits (GCMD), retirement benefit, non-current lease liabilities and deferred income tax liability pertaining to the valuation method of accounting for the golf course development.

There were twenty-four (24) Golf Club Maintenance Deposit (GCMD) payments received as of March 31, 2024.

Statement of Comprehensive Income

The Club had a net income before depreciation and income tax of ₱30.081 million in 2023 which is 88% or ₱14.110 million higher against the ₱15.971 million in 2022. After depreciation and income tax, the Club had a net loss of ₱8.731 million in 2023 which is 40% better or representing a ₱5.827 million decrease from the ₱14.558 million loss in 2022.

Total receipts of the Club amounted to ₱113.164 million in 2023, which is higher by 21% or by ₱19.670 million compared to the ₱93.493 million in 2022. This is also higher by 65% or by ₱44.574 million than the ₱68.590 million revenues in 2021. Receipts of revenues for the Club include member's assessments for membership dues, membership activations, and transfer fees and revenues from the Club's operations.

Membership dues amounted to ₱49.589 million which is higher by 7% or by ₱3.365 million compared to the ₱46.225 million in 2022. Membership activation fees of ₱7.150 million in 2023 are higher by 37% or by ₱1.925 million than the ₱5.225 million in 2022. Moreover, assignment and transfer fees are higher by 20% or by ₱1.050 million from ₱5.300 million in 2022 to ₱6.350 million in 2023.

Revenue from Club's operations include mainly green fees and tournament fees, merchandise sales, golf cart rentals and driving range fees. Green fees and tournament fees amounted to ₱

32.713 million in 2023 which is higher by 50% or by ₱10.906 million compared to the ₱21.806 million in 2022. Merchandise sales of ₱6.033 million in 2023 is also higher by 17% or by ₱0.857 million compared to ₱5.176 million in the previous year. Also, golf cart rentals of ₱7.543 million and driving range revenue of ₱0.542 million in 2023 are higher by 21% & 31% respectively compared to the previous years' revenues of ₱6.229 million and ₱0.413 million. On the other hand, forfeited unused consumables recorded in 2023 amounted to ₱2.833 million which is lower than the ₱2.956 million in 2022.

Cost of goods sold and services in 2023 amounted to ₱74.438 million which is 18% higher as against the ₱63.191 million in 2022 while operating expenses other than depreciation amounted to ₱17.834 million which is higher by 6% or by ₱1.041 million than the previous year of ₱16.793 million.

Increase in cost of goods sold and services is mainly due to the increase in materials, supplies, and facilities costs from ₱8.046 million to ₱12.826 million or higher by 59% or by ₱4.780 million as a result of more tournaments, guests and members avilment of facilities this year. While repairs and maintenance costs of ₱23.141 million is in-line from the previous year, personnel costs are higher by 19% or by ₱2.602 million from the previous year's ₱13.623 million. Other costs that increased are security services of ₱5.636 million, by 13% or by ₱0.652 million; communication, light and water of ₱7.150 million, by 30% or by ₱1.666 million; outside services costs of ₱5.725 million, by 37% or by ₱1.556 million; and, cost of inventories sold of ₱3.701 million, by 13% or by ₱0.417 million.

The Club had other income in the amount of ₱9.716 million in 2023, ₱3.157 million in 2022 and ₱0.775 million in 2021. Other income includes income from venue rentals, private golf cart storage, private locker rentals and unrealized fair value gain of the Club's Unit Investment Trust Fund ("UITF"). It also includes recognition of long-outstanding payables previously accrued but where the Club determines that settlement is unlikely due to the development of circumstances.

Interest income for the year amounts to ₱0.810 million which is higher by 84% or by ₱0.370 million compared to ₱0.440 million in 2022. Interest expense of ₱1.337 million in 2023 is higher by 18% or by ₱0.201 million against 2022 of ₱1.136 million. Provision for current income tax pertains to final tax on interest income from savings deposits and minimum corporate income tax amounting to ₱0.291 million for 2023, ₱0.039 million for 2022 and none for 2021.

The accounting policies adopted by the Club are consistent with those of the previous financial year. On December 31, 2016, the Club changed the method of accounting for its golf course development asset which is reflected as part of Property and Equipment account. The last revaluation adjustments were reflected in the financial statements as of December 31, 2022. Prior to 2017, the golf course development asset was accounted for using the cost model.

Statement of Comprehensive Income - Interim as of March 31, 2024

For the three (3) months period ended March 31, 2024, the net income before depreciation and income tax amounted to ₱11.770 million which is higher by ₱2.655 million or by 29%, as compared to the ₱9.115 million of the same period last year. After depreciation and income tax, the Club posted a total comprehensive income in the amount of ₱1.180 million for the period ended March 31, 2024, a 165% turnaround from the loss of ₱1.829 million during the same period last year.

The Club's total revenues generated for the three (3) months ended March 31, 2024 amounted to ₱38.650 million, which is higher by ₱6.087 million or by 19% as compared to last year's ₱32.563 million. Assessment of monthly dues which is at ₱4,200/member amounted to ₱12.697 million, representing 33% of the Club's total revenues. Green fees and tournament revenues on the other hand amounted to ₱7.160 million and ₱10.641 million, both a significant boost in revenue this year representing 19% and 28% respectively of the Club's total revenues. Membership fees amounted to ₱2.500 million while transfer fees totaled to ₱2.200 million, higher by ₱1.400 million and ₱1.000 million, respectively compared to the same period in 2023.

Golf cart rentals for the quarter is at ₱2.379 million which is higher by ₱0.318 million or by 15% compared to the ₱2.061 million of the same quarter last year. Driving range revenues amounted ₱0.165 million which is in-line or slightly lower compared to the previous year of ₱0.166 million.

The Club's "other income" of ₱1.174 million this year is lower by ₱0.602 million or by 34% compared to the ₱1.776 million in 2023. Other income includes income from venue rentals, private golf cart storage, bag storage, private locker rentals and unrealized fair value gain of the Club's UITF placement.

Interest income amounted to ₱0.312 million which is 110% higher than the ₱0.148 million in 2023. This includes collected late payment charges from monthly dues and earned interests on bank and time deposits.

Costs and operating expenses amounted to ₱28.201 million this year which is higher by 12% or by ₱3.015 million, compared to the ₱25.263 million during the same period in 2023. This is mainly due to the corresponding increase in tournament expenses incurred in the amount of ₱7.368 million, an increase of ₱1.087 million or by 17% compared to the same period of last year. Personnel costs also increased to ₱5.705 million from ₱5.041 million of the previous year which reflects the implementation of wage increases and adjustments. A review of the other expense accounts shows major variances as follows:

- A. Increase in materials, supplies, and facilities by ₱1.074 million or by 15% from last year's ₱7.248 million to this year's ₱8.322 million;
- B. Increase in taxes and licenses by ₱0.714 million or by 164% from ₱0.434 million to ₱1.148 million due to the taxes paid for the e-CAR of sold shares from those acquired by the Club from previous auctions;
- C. Increase in communication, light and water by ₱0.119 million or by 6% from ₱2.052 million to ₱2.171 million;
- D. Increase in security services by ₱0.138 million or by 10% from ₱1.357 million to ₱1.494 million; and
- E. Increase in credit card collection expenses by ₱0.133 million from ₱0.225 million to ₱0.358 million.

The Club's interest expense, which represents the accrual of the accretion of the refundable deposits and interest paid on loan, is higher by 51% or by ₱0.056 million, from ₱0.110 million in 2023 to ₱0.166 million this year.

Top Five (5) Key Performance Indicators

The Club identifies its top five (5) key performance indicators as follows: 1) working capital; 2) current ratio; 3) base equity; 4) collections from membership dues and consumables; and 5) earnings before taxes and depreciation ("EBTD").

Working Capital (current assets minus current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or short-term debt paying ability of the Club. Having a positive working capital and a current ratio of 1:1 is an indication of liquidity while base equity (members' equity over total liabilities and members' equity) of at least 25% measures the level of dependence of the Club on its members or creditors in meeting its financial obligations.

In 2023, the Club experienced a remarkable improvement in its liquidity as it posted a working capital of ₱18.704 million at year end. This is a significant turnaround compared to a working capital deficiency of ₱2.621 million in 2022. The Club was able to register record-high guest revenues coupled with a continuous uptrend in membership activations which propelled the improvement in working capital compared to the previous year. The base equity ratio of the Club in 2023 remains at 70% or the same as the previous year.

Collection from members (monthly dues and other charges) amounts to ₱160.331 million and ₱130.638 million in 2023 and 2022, respectively. The increase is mainly due to the increase in members billed and higher patronage of the facilities in year 2023 compared to the year before.

For the year 2023, the Club has a ₱30.081 million net proceeds before taxes and depreciation which is 88% higher or ₱14.110 million higher compared to the net income of ₱15.971 million in 2022.

Key Performance Indicators - Interim March 31, 2024

As of March 31, 2024, the Club had a working capital of ₱23.998 million which is an increase by ₱5.294 million or by 28% compared to ₱18.703 million as of December 31, 2023. This is due to higher revenues generated for the quarter aided by the timely collection of advance payments of monthly dues.

The base equity ratio of the Club as of March 31, 2024 is at 68% which is lower than the 70% of December 31, 2023.

Collections from members (monthly dues and other charges) amount to ₱70.331 million as of March 31, 2024 which is higher compared to the ₱31.059 million in 2023.

For the three (3) months ended March 31, 2024, the Club had a ₱11.769 million net income before taxes and depreciation which is higher compared to the ₱9.115 million for the same period last year. The increase reflects the overall results of operations for the quarter which contributed a higher net income before depreciation and taxes by ₱2.655 million.

Prospects for the Future

On March 11, 2020, the World Health Organization ("WHO") declared the outbreak of COVID-19 as a global pandemic. The outbreak had a material impact on the Club's 2020 financial results and even periods thereafter. The Club is not involved in any business combination nor does it have subsidiaries. It does not maintain long-term investments. The Club has no material off-balance sheet transactions, arrangements, or obligations (including contingent obligations). The Club has made no relationships with unconsolidated entities or other persons during the reporting period. In May 2023, WHO declared the end of COVID-19 as a global health emergency.

There are no manifest trends, events, or uncertainties that would give rise to a material impact on revenues or income from continuing operations of the Club as of December 31, 2023. There are no evident causes or plans that would have a material impact in one or more items of the Club's financial statements. The Club does not have any material commitment for capital expenditures.

In general, the prospects of the Club for the future are quite optimistic and since there are no significant uncertainties surrounding the business, the Club is expected to be a strong competitor in the golf club market.

The fact that Baguio City is typically affected by rain for more than half of each year is already known to both existing and prospective members of the Club. Thus, this fact is not expected to have any material impact on the Club's operations. The occurrence of major fortuitous events, such as typhoons and earthquakes, however, continue to pose a risk to the Club's operations.

Audit and Audit-Related Fees

The Club incurred ₱0.350 million for the 2023 audit which includes out-of-pocket expenses. For both 2022 and 2021, the Club paid ₱0.330 million each year to Isla Lipana & Co. for the audit of the Club's annual financial statements. These expenses are properly reflected in the Club's audited financial statements under professional fees.

Tax Fees

None.

All Other Fees

None.

As provided in the Club's New Manual on Corporate Governance, the Audit Committee pre-approves all audit plans, scope and frequency which are discussed and presented by the external auditor one (1) month before the conduct of external audit.

General Nature and Scope of the Business

Business

Camp John Hay Golf Club, Inc. (the "Club" or "CJHGC") was incorporated as a non-stock corporation on April 3, 1997 and was granted by the Securities and Exchange Commission ("SEC") permission to offer and sell its securities to the public on May 2, 1997.

The Club was organized exclusively for the promotion of social, recreational and athletic activities on a non-profit basis for its members. Being an exclusive membership club, the target

market is its members, their dependents and guests. As a non-profit entity, the Club generates revenues mainly in the form of membership assessments, green fees and tournament fees, and golf cart rentals, which represent 56%, 29% and 7%, respectively, of the total operating revenues earned this year. Revenues generated are used to meet the expenses of its general operations, and the maintenance and improvement of its premises and facilities. No part of its income inures to the benefit of any officer, member, or private individual.

The Club is in competition with other golf courses, especially those located north of Metro Manila. In terms of direct competition, there is only one other golf club in Baguio City - the Baguio Country Club. However, the Club sees the presence of an existing golf course as complimentary to the Club because golf enthusiasts are given not only a choice between the two golf courses, but actually the opportunity to play in two distinctly different golf courses in the City of Baguio. As such, both clubs actually complement each other towards the improvement of local tourism in Baguio City by offering alternative golfing facilities to the public.

The Club's clubhouse restaurant is being operated and handled by Le Chef, Inc. since November 17, 2009. In April 2015, the Club hired Eboueurs General Services, Inc. ("EGSI") for the Club's golf cart rental services replacing Maximus Golf Cart Services Corporation. In January 2019, the Club was notified of the acquisition of EGSI by IEE LTD. CO. ("IEE"). Nevertheless, the former officers of EGSI are the same partners who composed the IEE. In November, 2019, the agreement with EGSI was terminated and the Club operated its own golf cart rental services.

The Club started billing membership dues in March 2000. On April 15, 2002, the Club became a registered enterprise in the John Hay Special Economic Zone (JHSEZ) in accordance with Republic Act (R.A.) No. 7227, known as the Bases Conversion and Development Act of 1992 (the Act), Presidential Proclamation No. 420, Customs Administrative Order No. 2-98, Bureau of Internal Revenue (BIR) Revenue Regulations (RR) No. 1-95, as amended, and the Implementing Rules and Regulations (IRR) of R.A. No. 7227. As such, the Club enjoys all the rights, privileges and benefits established under the Act and its IRR, which include, among others, a preferential rate of 5% of gross income earned in lieu of all local and national taxes, tax-and-duty free importations of raw materials, capital equipment and household and personal items pursuant to Sections 12(b) and 12(c) of the Act.

On October 24, 2003, the Supreme Court En Banc promulgated a decision nullifying the regime of tax and duty exemptions, as well as financial incentives and other privileges within the JHSEZ conferred by Section 3 of Proclamation No. 420 for being violative of Article VI, Section 28 (4) of the Philippine Constitution.

On March 20, 2007, President Gloria Macapagal-Arroyo approved R.A. No. 9400, "An Act Amending R.A. No. 7227, as amended, otherwise known as the Bases Conversion and Development Act of 1992 and for Other Purposes," which restores the preferential income tax rate of 5% of registered enterprises within the freeport and special economic zones including JHSEZ. In addition, the President approved R.A. No. 9399, "An Act Declaring a One-Time Amnesty on Certain Tax and Duty Liabilities, Inclusive of Fees, Fines, Penalties, Interests and Other Additions Thereto, Incurred by Business Enterprises Operating Within the Special Economic Zones and Freeports," which provides that business enterprises may avail themselves of the benefits of remedial tax amnesty granted on tax and duty liabilities, including fines, penalties and interests incurred or which might have been incurred as a result of the SC rulings on the tax exemptions. R.A. No. 9399 also provides that business enterprises in the said areas

are required to pay ₱25,000 within six (6) months from the effectivity of the law. R.A. No. 9399 was a combination of Senate Bill No. 2259 and House Bill No. 4901.

In 2007, pursuant to R.A. No. 9400 and the issuance to the Club of a Certificate of Registration (“COR”) from John Hay Management Corporation (JHMC), the Club adopted the 5% preferential income tax treatment on its Gross Income as provided by R.A. No. 7227 and changed its registration with the BIR effective May 15, 2007 from value-added tax (VAT) taxpayer to non-VAT taxpayer.

Consequently, the Club adopted the 5% preferential income tax treatment on its gross income as provided by R.A. No. 7227. The IRR of R.A. No. 9400 was later issued on February 13, 2008 by the Department of Finance through Department Order No. 3-08.

The Club’s Certificate of Registration expired on November 19, 2013. It has since applied for the renewal of the said registration and, accordingly, submitted all requirements and paid all fees to JHMC. To date, JHMC has not acted on the Club’s renewal application.

In view of the release of the award in CJH Development Corporation (“CJH DevCo”) v. Bases Conversion and Development Authority (“BCDA”), PDRCI Case No. 60-2013, on February 11, 2015 as fully discussed in Note 28 to the financial statements, such renewal of the COR is not forthcoming because of the rescission of the Contract of Lease (“COL”) between CJH DevCo and BCDA due to the parties’ mutual breach.

Significantly, in the same award, the Arbitral Panel did not uphold the BCDA’s earlier rescission of the COL in July 2014, which the JHMC cited as the reason for the non-renewal of the COR. There was no more reason, therefore, for the JHMC to have withheld the COR for 2014.

In a press release dated 10 April 2024,¹ the Supreme Court announced that it issued a Decision granting the petition for review on certiorari filed by BCDA assailing the rulings of the CA. The Court also denied the petition for certiorari filed by CJH DevCo challenging the rulings of the COA for dismissing CJH DevCo’s money claim arising from the arbitral ruling. The Club’s legal team will study the impact of the said Decision to the Club, if any, upon receipt thereof, and the Club’s remedies under the circumstances.

In 2015, the Club’s management and Poblador Bautista & Reyes Law Offices (“PBR”) determined that the non-issuance/renewal by JHMC of the Club’s COR removes the Club’s entitlement to the incentives associated with the JHSEZ. As such, it became subject to income tax as an ordinary corporation and cannot avail itself of the 5% “in lieu of all taxes” preferential tax rate. It likewise became subject to 12% VAT, as opposed to zero-percent (0%) VAT had the Club’s COR been renewed.

On June 2, 2016, the Club processed its VAT registration and started to recognize output tax on its revenues starting in August 2016. In addition, the Club applied the 30% regular corporate income tax rate in computing its income taxes.

On August 13, 2019, the Supreme Court, in G.R. No. 228539, issued a decision on whether the membership fees, assessment dues and fees of similar in nature collected by clubs which are

¹ <https://sc.judiciary.gov.ph/sc-upholds-arbitral-ruling-ordering-cjh-devt-corp-to-vacate-john-hay-special-economic-zone/>.

organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and VAT.

Under this ruling, as long as the membership fees, assessment dues, and the like are treated as collections by recreational clubs from their members as an inherent consequence of their membership, and are, by nature, intended for the maintenance, preservation, and upkeep of the club's general operations and facilities, the fees cannot be classified as income subject to tax. In addition, the Supreme Court agreed with the position that these fees are not subject to VAT because in collecting such fees, the club is not selling its service to the members. Conversely, the members are not buying services from the club when dues are paid. Hence, there is no economic or commercial activity to speak of as these dues are devoted for the operations and maintenance of the facilities of the club.

Accordingly, starting September 2019, the Club has not been charging VAT on its monthly dues, membership, assignment and transfer fees. These are also exempt from income tax.

There were no disbursements for research and development activities by the Club during the last five (5) fiscal years.

The Club has all the necessary permits and clearances from the Department of Environment and Natural Resources ("DENR") for its operations. To this end, the Club continues its tree planting projects and reforestation activities. Development of the golf course and other support facilities are done in cooperation with the Camp John Hay Development Corporation (CJH DevCo), the John Hay Management Corporation, the DENR, and the Baguio City Council in order to ensure the Club's compliance with environmental laws, and also to address the socio-economic concerns of Baguio City and its surrounding municipalities.

As of December 31, 2023, the Club has 53 employees working full time and 19 outsourced personnel performing cleaning services and landscaping maintenance. The required human resources for the operations of the Club have been met and there is no expected future hiring of regular employees. However, the Club usually hires seasonal workers especially in its Golf Operations and Engineering Departments when different tournaments are held where demand for additional work is at its peak.

Properties

By virtue of an April 3, 1997 Deed of Assignment between CJH DevCo (as the Assignor) and the Club (as the Assignee), the Club agreed to issue and deliver 2,500 regular membership certificates and 200 non-membership playing rights to CJH DevCo for and in consideration of the latter's assignment of the beneficial rights to the use and possession of the golf course and the clubhouse.

The property being re-developed for the golf course, clubhouse, and related amenities of the Club is part of the property being leased by CJH DevCo from the BCDA under an October 19, 1996 Lease Agreement between CJH DevCo and the BCDA.

The re-development of the 18-hole golf course is complete. In reference to the land contributed by the project's developer, all of the 48.4276 hectares of land assigned by the developer of the Club has been utilized for the development of the golf course. This is one of the sixteen (16)

clusters subject for development under the John Hay Master Development Plan. The Club's property is not mortgaged, and is free from any and all liens and/or encumbrances.

The clubhouse was transferred to the Club on December 1, 2001. In February 2003, the golf cart building was completed and likewise turned-over to the Club. The cost and corresponding depreciation of these buildings are reflected in the Audited Financial Statements ("AFS") of the Club. The Halfway House building was opened in April 2003. Its cost and depreciation have likewise been recorded in the AFS of the Club.

Membership

Membership composition as of December 31, 2023 is as follows:

a. Regular Memberships	2,500
b. Playing rights	34

Directors and Executive Officers of the Registrant

The following are the names of all incumbent governors and executive officers of the Club:

<u>Name</u>	<u>Position</u>	<u>Citizenship</u>	<u>Age</u>	<u>Gov./Off. Since</u>
Robert John L. Sobrepeña	Chairman/Governor	Filipino	69	1997
Ferdinand T. Santos	President/Governor	Filipino	73	1997
Rafael Perez de Tagle, Jr.	Treasurer/Governor	Filipino	69	1997
Gulshan Bedi	Governor	Filipino	59	2019
Francisco C. Gonzalez	Governor	Filipino	80	1999
Alfredo M. Mendoza	Governor	Filipino	74	2009
Ramon Luis F. Garcia	Ind. Governor	Filipino	61	2016
Mario V. Benitez, Jr.	Ind. Governor	Filipino	69	2015
Jaime M. Cacho	Governor	Filipino	67	2020
Bayani B. Tecson	Ind. Governor	Filipino	59	2023
Gilbert Raymund T. Reyes	Corporate Secretary	Filipino	65	2004
Raymund M. C. Rodriguez	Assistant Corp. Secretary/ Compliance Officer	Filipino	58	2004

Term of Office

The term of office of the Governors and Elected Officers is one (1) year from their election as such until their successors are duly elected and qualified.

Business Experience of the Governors and Executive Officers during the past five (5) years

The Members of the Board of Governors are as follows:

MR. ROBERT JOHN L. SOBREPEÑA, the Chairman of the Board of Governors of the Registrant, is also the Chairman of the Board of Directors of Fil-Estate Management, Inc., Metro Rail Transit Corporation (MRTC), Metro Rail Transit Development Corp. ("MRTDC"), The Manila Southwoods Golf & Country Club, Inc., Forest Hills Golf & Country Club, Sherwood Hills Golf Club, Asia Pacific Golf Corp., CJH Hotel Corp., CJH

Suites Corp. and CJH Development Corp. (“CJHDevCo”). He is also Chairman of Metro Global Holdings Corp., which is publicly listed in the Philippine Stock Exchange.

ATTY. FERDINAND T. SANTOS is the President of Forest Hills Golf & Country Club, Inc. He is also the President of the Registrant, Fairways & Bluewater Resort Golf & Country Club, Inc., Metro Global Holdings Corp., CJHDevCo, CJH Hotel Corp. and CJH Suites Corp. He is also a Director of The Manila Southwoods Golf & Country Club, Inc.

MR. RAFAEL PEREZ DE TAGLE, JR. is the Executive Vice-President and Chief Operating Officer of Metro Rail Transit Development Corp. He is also the Treasurer of the Registrant, The Manila Southwoods Golf & Country Club, Inc. and Forest Hills Golf and Country Club.

MR. GULSHAN BEDI was formerly the Executive Vice President of Operations of CJHDevCo and served as Senior Vice President of CJH Hotel Corporation for the past ten years.

MR. FRANCISCO C. GONZALEZ is a director of The Manila Southwoods Golf & Country Club, Inc. He is also the Chairman of the Board and CEO of Romago, Inc., Fabriduct & Metal Systems Inc., and Electro Mechanical Products International, Inc.

MR. ALFREDO M. MENDOZA is the Managing Director and President of CargoAire Freight Forwarders, Inc., CargoAire Maritime Corp. and Cyclo Air Systems Technology, Inc. He is also a director of The Manila Southwoods Golf and Country Club, Inc.

MR. MARIO V. BENITEZ, JR. is the Managing Director of John Hay Coffee Services and a Director of the Hotel and Restaurant Association of Baguio (HRAB).

MR. RAMON LUIS F. GARCIA is the President of Afuengar Corporation. He is also the owner of RLFSG Food Services and from March 2002 to March 2014, has opened and operated restaurants in Baguio City and Fort Bonifacio Global City, Taguig City namely - Brod Pit Bar and Grill, Katsutori Japanese Restaurant, The Backyard, Brod Pit Grill (in SM) and Brod Pit Grill (Market Market Mall, BGC, Taguig City).

MR. JAIME M. CACHO is the President and Chief Operating Officer of Metro Countrywide Corporation. He is the Head of Project Development and Management Services of Fil-Estate Management, Inc. He is also a Director of Metro Global Holdings Corporation and the President and Chief Operating Officer of Metro Global Renewable Energy Corporation. He has 37 years of top-level management and construction experience in various organizations during his career.

BAYANI B. TECSON is a medical doctor, and has been the Chairman of the Health & Safety Committee of the Registrant since 2021. Dr. Tecson also currently serves as Vice Chairman of the Commission on Elections of the Philippine Medical Association, Inc., a professor at the Department of Surgery at the School of Medicine of St. Louis University, and Chairman of the: (a) Operating Room Management Committee at Notre Dame De Chartres Hospital, Baguio City; (b) Operating Room Management Committee at Notre Dame De Chartres Hospital, Baguio City; (c) Hospital Pharmacy and Therapeutics Committee at Notre Dame De Chartres Hospital, Baguio City; (d) Department of Surgery at Notre Dame De Chartres Hospital, Baguio City; and (e) Cordillera Consortium General Surgery Training Program at Benguet General Hospital, Notre Dame De Chartres

Hospital, and Pines City Doctors Hospital. He was the Chairman of the Philippine Board of Pediatric Surgery Inc. from 2021 to 2022.

ATTY. GILBERT RAYMUND T. REYES is a Founding Partner of Poblador Bautista & Reyes Law Offices and the Chairman Emeritus of the Board of Governors of the U.P. Vanguard, Inc. He is presently the Corporate Secretary of the Registrant, Asian Hospital, Inc., Asian Hospital Charities, Inc., Levi Strauss Philippines II, Inc., Quinta Trading Corporation, CJH Development Corporation, CJH Hotels, Inc., CJH Suites, Inc., and Southeast Asian Colleges, Inc. He is also the Treasurer of Common Area (Philippines), Inc., Sleep Well Land Development Corp. and Sleep Well More Fun Corp. He also serves as the Compliance Officer of The Manila Southwoods Golf & Country Club, Inc.

ATTY. RAYMUND MARTIN C. RODRIGUEZ, the Assistant Corporate Secretary and Compliance Officer of the Registrant, is a Senior Partner in Poblador Bautista and Reyes Law Offices. He is also the Assistant Corporate Secretary and Compliance Officer of Forest Hills Golf and Country Club, Inc. He is also the Corporate Secretary of Common Area (Philippines), Inc., Ito Seisakusho Philippines Corporation, New Image Far East Philippines, Inc., Toyota Bacoor Cavite, Inc., Pacific Premium Fresh Produce Corp., TNT Express Deliveries (Phils.), Inc., WPG Electronics Philippines, Inc., California Heart Properties, Inc., Crossfoods Corporation, Crossproperty Management, Inc., and Loc&Stor 24/7, Inc.

Other Directorships Held in Reporting Companies

- | | | |
|--------------------------------|---|--|
| Mr. Robert John L. Sobrepeña | - | Co-Chairman of the Board of Directors of Global Estate Resorts, Inc. and Chairman of the Board of Directors of Metro Global Holdings Corp. and Forest Hills Golf & Country Club, Inc. |
| Atty. Ferdinand T. Santos | - | President of Forest Hills Golf & Country Club, Inc., Director and President of Metro Global Holdings Corporation, and President of Fairways and Bluewater Resort Golf and Country Club, Inc. |
| Mr. Rafael Perez De Tagle, Jr. | - | Director, Metro Global Holdings Corporation, Director, The Manila Southwoods Golf & Country Club, Inc., Treasurer of Forest Hills Golf & Country Club, Inc., and Vice-Chair, Metro Solar Power Solutions, Inc. |
| Mr. Jaime M. Cacho | - | Director of Metro Global Holdings Corp. |

Market Information

The Club is a non-stock corporation. The membership in the Club is divided into Two Thousand Five Hundred (2,500) regular memberships, inclusive of ten (10) founders' memberships. Likewise, the Club may grant playing rights to 200 persons who satisfy the qualifications set in the Club's Articles of Incorporation and By-Laws. According to the stock and transfer records as of December 31, 2023 and as of March 31, 2023, there are 2,500 memberships issued and outstanding and 43 local playing rights granted.

The Club's golf memberships are not traded in the Philippine Stock Exchange. The golf memberships are sold to individuals and corporations through the marketing arm of the developer, CJH DevCo.

Membership Prices (Philippine Pesos)

	2023		2022	
	High	Low	High	Low
First Quarter	250,000	200,000	300,000	200,000
Second Quarter	300,000	250,000	300,000	250,000
Third Quarter	400,000	350,000	300,000	250,000
Fourth Quarter	500,000	300,000	320,000	250,000
	2024			
		High	Low	
First Quarter		500,000	250,000	

Source: GGanda Club Shares Profile Report

Top Twenty (20) Holders of Memberships as of December 31, 2023

Top twenty (20) holders of memberships of the Club as of December 31, 2023 are as follows:

Rank	Name	No. of Memberships Held	% to Total
1.	CJH Development Corporation	1,213	48.52%
2.	Philippine Veterans Bank	36	1.44%
3.	Incorporated College Assurance Plans	22	0.88%
4.	Bank of Commerce - Trust Services Group As Trustee for College Assurance Plan Phils., Inc.	13	0.52%
5.	Bank of Commerce - Trust Service Group As Trustee for Comp. Annuity Plans and Pension Corp.	12	0.48%
6.	Weetee S. Lato	4	0.16%
7.	Agus Development Corp.	3	0.12%
8.	Tree Land Development & Resources, Inc.	3	0.12%
9.	Robert John Lamb Sobrepeña	2	0.08%
10.	Manuel M (Jeweller) Cojuangco	2	0.08%
11.	Columbian Motors Corporation	2	0.08%
12.	Metropolitan Bank Trust Company	2	0.08%
13.	Phelps Dodge Phils., Inc.	2	0.08%

14.	Pilipino Telephone Corp.	2	0.08%
15.	San Miguel Corporation	2	0.08%
16.	SM Investments Corporation	2	0.08%
17.	Isabel C. Suntay	2	0.08%
18.	Universal Rightfield Property Holdings, Inc.	2	0.08%
19.	Manuel B. Zamora	2	0.08%
20.	Joseph C. Oria	2	0.08%

There have been no changes in Top (20) Holders of Memberships as of the Interim Period Ended March 31,2024.

Dividends

Not applicable.

Recent Sales of Unregistered Securities

Not applicable.

UPON THE WRITTEN REQUEST OF A MEMBER, THE REGISTRANT WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE REGISTRANT'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE MEMBER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS. ALL REQUESTS MAY BE SENT TO MR. JUDSON D. EUSTAQUIO, GENERAL MANAGER, CAMP JOHN HAY GOLF CLUB, INC., LOAKAN ROAD, BAGUIO CITY.