

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

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 in 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 P468.887 million as of December 31, 2022 which is an increase of 19% or P73.893 million compared to P394.993 million in the previous year. This is mainly due to the increase in the net book value of its properties and equipment by P 50.474 million, from P372.452 million to P422.926 million as a result of the property

reevaluation of golf course development assets by an independent accredited appraiser who determined the market value of the property based on its highest and best use.

Moreover, current assets increased by 104% or by ₱23.420 million from ₱22.541 million in 2021 to ₱45.960 million in 2022 mainly due to increase in cash.

Cash amounted to ₱31.719 million in 2022 which increased by 230% or by ₱22.110 million compared to the ₱9.609 million in 2021 due to the collection of one-year advance payment of membership dues from members in early 2023 and activation of shares acquired through auctions. Accounts receivable also increased from ₱5.920 million in 2021 to ₱7.619 million in 2022, an increase of 29% or ₱1.699 million.

However, inventories decreased to ₱2.334 million in 2022, by 11% or by ₱0.301 million from ₱2.635 million in 2021. Prepayments and other current assets slightly decreased to ₱2.975 million from the previous year's ₱3.088 million.

The Club's total liabilities amounted to ₱140.693 million as of December 31, 2022 which is higher by 15% or by ₱18.905 million compared to ₱122.089 million in the previous year. This is mainly due to the non-current liabilities which increased by 20% or by ₱15.150 million, from ₱75.087 million to ₱90.237 million.

Current liabilities as of December 31, 2022 amounted to ₱50.456 million which is an increase of 7% or ₱3.454 million from the ₱47.002 million of the previous year. Accounts payable and other current liabilities increased by 10% or by ₱4.324 million, from ₱42.349 million in 2021 to ₱46.673 million in 2022.

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. Non-current portion of lease liabilities amounted to ₱1.193 million as of December 31, 2022 which is higher from the previous year's ₱0.495 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 75 GCMD payments received in 2022.

Statement of Financial Position - Interim as of March 31, 2023

The Club's total assets increased by ₱3.167 million or by 1%, from ₱468.887 million as of December 31, 2022 to ₱472.054 million as of March 31, 2023. The Club's property and equipment decreased by ₱5.249 million from ₱422.926 million to ₱417.677 million as a result of revaluation amortization and depreciation. On the other hand, current assets increased to ₱8.416 million mainly due to the additional collections of one-year monthly dues from members availing of the one-month discount offered until February 28, 2023.

Cash and cash equivalents increased from ₱31.719 million by ₱6.998 million or by 22% to ₱38.717 million.

Inventories increased by ₱0.174 million or by 7% from ₱2.334 million as of December 31, 2022 to ₱2.507 million as of March 31, 2023.

Prepayments and other current assets also increased by ₱0.997 million from ₱2.975 million to ₱3.972 million, mainly due to funds restricted for monthly dues of members who paid their one-year dues in advance.

The Club's accounts payable and other current liabilities increased by ₱2.330 million or 5%, from ₱50.444 million as of December 31, 2022 to ₱52.774 million as of March 31, 2023. This is mainly due to the additional accruals and the advance payment of one-year monthly dues from members as of March 31, 2023. The Club also availed of a 24-month term lease financing with Asia United Bank Leasing for the acquisition of a brand-new fair mower and company vehicle for the Club.

The Club's non-current liabilities include refundable deposits, accrued retirement costs, loans payable and deferred income tax liability. As of March 31, 2023, this account decreased by ₱2.683 million from ₱90.237 million as of December 31, 2022 to ₱87.554 million as of March 31, 2023 mainly due to additional refundable deposits (GCMD) collected.

There were already ten (10) GCMD payments received as of March 31, 2023.

Statement of Comprehensive Income

The Club had a net income before depreciation and income tax of ₱15.971 million in 2022 which is 93% or ₱7.713 million higher against ₱8.258 million in 2021. As compared to 2020, this is a turnaround of 632% or by ₱18.975 million from the loss of ₱3.004 million of that year. After depreciation, income tax and other income, the Club had a net loss of ₱19.111 million in 2022 which is lower by 18% or by ₱4.193 million from ₱23.304 million in 2021.

Total receipts of the Club amounted to ₱93.493 million in 2022, which is 36% or ₱24.904 million higher than the ₱68.590 million in 2021 and also 41% or ₱27.273 million higher than the ₱66.220 million revenues registered in 2020. This includes member's assessments for membership dues and Club fees and revenues from the Club's operations. Membership dues amounted to ₱46.225 million which is almost the same compared to the ₱46.226 million in 2021. Membership activation fees of ₱5.225 million in 2022 are also 99% or ₱2.600 million higher than the ₱2.625 million in 2021. Moreover, assignment and transfer fees are higher by 64% or by ₱2.075 million from ₱3.225 million in 2021 to ₱5.300 million in 2022.

Green fees and tournament fees amounted to ₱21.806 million in 2022 which is significantly higher by 310% or by ₱16.488 million compared to the ₱5.319 million in 2021. Merchandise sales of ₱5.176 million in 2022 is also higher by 187% or by ₱3.374 million compared to ₱1.802 million in the previous year. Also, driving range revenue and golf cart rentals in 2022 of ₱0.413 million is equally higher by 608% or by ₱0.355 million compared to the ₱0.059 million in 2021. Unused consumables recorded in 2022 amounted to ₱2.956 million which is lower than 2021's ₱5.014 million which includes the consumables from 2020 of ₱1.977 million forfeited on March 31, 2021 pursuant to a Board resolution.

Cost of goods sold and services in 2022 amounted to ₱63.191 million which is 32% higher as against ₱47.970 million in 2021 while operating expenses other than depreciation amounted to ₱16.793 million which is lower than the previous year at ₱12.372 million.

Materials, supplies, and facilities costs are higher by 243% or by ₱5.698 million with ₱2.348 million in 2021 and ₱8.046 million in 2022. Communication, light, and water costs are also higher by 88% or by ₱2.570 million, ₱2.914 million in 2021 and ₱5.484 million in 2022. Costs of outside services are also higher by 64% or by ₱1.625 million, ₱2.544 million in 2021 and ₱4.169 million in 2022. Moreover, repairs and maintenance are higher by ₱6% or by ₱1.329 million with ₱23.575 million in 2022 and ₱22.246 million in 2021. Security services are higher by 19% or by ₱0.803 million, ₱4.985 million in 2022 and ₱4.182 million in 2021. Personnel costs are higher by 9% or by ₱1.159 million, at ₱13.623 million in 2022 and ₱12.465 million in 2021.

The Club had other income in the amount of ₱3.157 million in 2022, ₱0.775 million in 2021 and ₱0.084 million in 2020. 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").

In 2022 interest income of ₱0.440 million is higher by 12% or by ₱0.047 million compared to ₱0.393 million in 2021. Interest expense of ₱1.136 million in 2022 is lower by 2% or by ₱0.022 million against 2021 of ₱1.158 million. Provision for current income tax pertains to final tax on interest income from savings deposits and minimum corporate income tax amounting to ₱0.028 million for 2022 and none for 2020 and 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. Prior to 2017, the golf course development asset was accounted for using the cost model.

Statement of Comprehensive Income Interim as of March 31, 2023

For the three (3) months period ended March 31, 2023, the net income before depreciation and income tax amounted to ₱8.317 million which is higher by ₱3.313 million or by 66%, as compared to the ₱5.004 million of the same period last year. The Club posted a total comprehensive loss in the amount of ₱2.627 million for the period ended March 31, 2023 as compared to the ₱3.159 million during the same period last year.

The Club's total revenues generated for the three (3) months ended March 31, 2023 amounted to ₱32.509 million, which is higher by ₱8.270 million or by 34% as compared to last year's ₱24.239 million. Assessment of monthly dues which is ₱4,200/member amounted to ₱12.298 million, representing 38% of the Club's total revenues. Green fees and tournament revenues on the other hand amounted to ₱14.946 million, representing 46% of the Club's total revenues. Membership fees amounted to ₱1.000 million while transfer fees totaled to ₱1.100 million, lower by ₱0.400 million and ₱0.550 million, respectively compared to the same period in 2022.

Golf cart rentals at ₱2.061 million is higher by ₱0.676 million or by 49% compared to the ₱1.385 million of the same quarter last year. Moreover, driving range revenues amounted ₱0.165 million which is higher compared to the previous year of ₱0.043 million.

The Club's "other income" of ₱1.247 million this year is higher by ₱0.899 million or by 258% compared to the ₱0.349 million in 2022. Other income includes income from venue rentals, private golf cart storage, private locker rentals and unrealized fair value gain of the Club's UITF.

Interest income amounted to ₱0.146 million which is higher than the ₱0.103 million in 2022. This includes collected late payment charges from monthly dues and earned interests on bank deposits.

Costs and operating expenses amounted to ₱25.376 million this year which is higher by 30% or by ₱5.790 million, compared to the ₱19.586 million during the same period in 2022. This is mainly due to the tournament expenses incurred in the amount of ₱7.140 million as the holding of golf tournaments was already allowed. A review of the other expense accounts shows major variances as follows:

- a. Increase in materials, supplies, and facilities by ₱3.344 million or by 70% from last year's ₱4.757 million to this year's ₱8.101 million;
- b. Increase in personnel costs by ₱0.729 million or by 17% from last year's ₱4.177 million to this year's ₱4.906 million mainly due to the increase in the number of employees and various adjustments of salaries of regular employees;
- c. Increase in utilities expense by ₱0.630 million or by 53% from last year's ₱1.194 million to this year's ₱1.824 million as a result of the tournaments for the month of March 2023;
- d. Increase in professional fees by ₱0.398 million or by 69% from last year's ₱0.573 million to this year's ₱0.971 million. This includes accrual of external audit expenses and golf course consultancy fees.

The Club's interest expense, which represents the accrual of the accretion of the refundable deposits and interest paid on loan, is higher by 108% or by ₱0.108 million, from ₱0.101 million in 2022 to ₱0.209 million this year as the Club obtained loan purchases of fixed assets.

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 less 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.

As of December 31, 2022, the Club had a working capital deficiency of ₱4.496 million compared to a working capital deficiency of ₱24.461 million in 2021. The decrease in the deficiency of ₱19.965 million is mainly due to the cash collection for the year. The base equity ratio of the Club in 2022 is at 70% and is higher as compared to last year's 69%.

Collection from members (monthly dues and other charges) amounts to ₱66.576 million and ₱64.483 million in 2022 and 2021, respectively. The increase is mainly due to higher monthly dues billed and collected from members during the year 2022.

For the year 2022, the Club has a ₱15.971 million net income before taxes and depreciation compared to the net loss of ₱8.258 million in 2021 and net loss of ₱3.004 million in 2020.

As of March 31, 2023, the Club had a working capital of ₱1.602 million which is an improvement of ₱6.097 million compared to the capital deficiency of ₱4.496 million as of December 31, 2022. This is due to the higher collections for monthly dues and the revenues generated for the quarter.

The base equity ratio of the Club as of March 31, 2023 is at 70% which is the same as of December 31, 2022.

Collections from members (monthly dues and other charges) amount to ₱31.059 million as of March 31, 2023 and this is higher compared to the ₱27.088 million in 2022.

For the three (3) months ended March 31, 2023, the Club had a ₱8.317 million net income before taxes and depreciation which is higher compared to the ₱5.004 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 ₱3.313 million.

Prospects for the Future

On March 11, 2020, the World Health Organization 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.

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, 2020. Neither are there 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 ₱0.330 million for the 2022 audit which includes out-of-pocket expenses. For 2021 and 2020, the Club paid ₱0.330 million and ₱0.330 million, respectively 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 61%, 23% 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 ESGSI 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 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 (“SC”) under SC 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 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 SC supported 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, 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, 2022, the Club has 44 employees working full time and 16 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, 2022 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	68	1997
Ferdinand T. Santos	President/Governor	Filipino	72	1997
Rafael Perez de Tagle, Jr.	Treasurer/Governor	Filipino	68	1997
Gulshan Bedi	Governor	Filipino	58	2019
Francisco C. Gonzalez	Governor	Filipino	79	1999
Alfredo M. Mendoza	Governor	Filipino	73	2009
Ramon Luis F. Garcia	Ind. Governor	Filipino	60	2016
Mario V. Benitez, Jr.	Ind. Governor	Filipino	68	2015
Jaime M. Cacho	Governor	Filipino	66	2020
Mauricio G. Domogan	Ind. Governor	Filipino	76	2006-2014; 2021-present
Gilbert Raymund T. Reyes	Corporate Secretary	Filipino	64	2004
Raymund M. C. Rodriguez	Assistant Corp. Secretary/ Compliance Officer	Filipino	57	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 is presently the Executive Vice President of Operations of CJHDevCo. He also 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 RLFG 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.

ATTY. MAURICIO G. DOMOGAN is the Chairperson of the House Committee of the Issuer from 2009 to present. Atty. Domogan previously served as Independent Governor from 2006 to 2014 and as Chairperson of the Membership Committee from 2006 to 2007. He is currently engaged in the private practice of law in his own firm, Domogan and Associates Law Office. From 1988 to 2019, he was elected as Baguio City Councilor, Vice Mayor, Mayor, and Congressman.

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 Bacoar 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., JTI GBS Philippines, 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., Director and 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, 2022 and as of March 31, 2023, there are 2,500 memberships issued and outstanding and 39 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)

	2022		2021	
	High	Low	High	Low
First Quarter	300,000	200,000	150,000	150,000
Second Quarter	300,000	250,000	200,000	150,000
Third Quarter	300,000	250,000	300,000	150,000
Fourth Quarter	320,000	250,000	280,000	250,000
	2023			
	High	Low		
First Quarter	280,000	270,000		

Source: GGandA Club
Shares Profile Report

Top Twenty (20) Holders of Memberships as of December 31, 2022

Top twenty (20) holders of memberships of the Club as of December 31, 2022 are as follows:

Rank	Name	No. of Memberships Held	% to Total
1.	CJH Development Corporation	1,219	48.76%
2.	Philippine Veterans Bank	47	1.88%
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 Corporation	2	0.08%
13.	Phelps Dodge Phils., Inc.	2	0.08%
14.	Pilipino Telephone C	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.	A.M.M. Food Corporation By: Vivencio Mercado Romero, Jr.	1	0.04%

There were no changes in the top (20) holders of memberships as of the interim period ended March 31, 2023.

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.