

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 from operations.

As for the receivables, the Club has resorted to collecting the 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 for the rest of the year and be able to collect on time from Members the dues and charges.

The Club has no plan for any product research and development for the next twelve 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 required manning for the Club has been met. There is also no expected future hiring of regular employees, except for the usual hiring of casuals 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 ₱394.993 million as at December 31, 2021 which is a decrease of 6% or ₱25.783 million compared to the ₱420.777 million of the previous year. This is mainly due to the decrease in the net book value of its properties and equipment by ₱28.313 million, from ₱400.765 million to ₱372.452 million.

Current assets increased by 13% or by ₱2.529 million from ₱20.011 million in 2020 to ₱22.542 million in 2021 mainly due to the increase in cash.

Cash amounted to ₱9.609 million in 2021 which increased by 125% or by ₱5.332 million compared to ₱4.277 million balance in 2020 due to the collection of one-year advance payment of membership dues from members for 2022. Accounts receivable decreased from ₱8.106 million in 2020 to ₱5.920 million in 2021, a decrease of 27% or ₱2.187 million compared to the previous year.

Inventories amounted to ₱2.634 million in 2021 which decreased by 29% or by ₱1.089 million from ₱3.724 million in 2020. Prepayments and other current assets however increased to ₱3.088 million from the previous year's ₱2.623 million.

The Club's total liabilities amounted to ₱122.089 million as at December 31, 2021 which is lower by 13% or by ₱17.798 million compared to ₱139.887 million for the previous year. This is mainly due to the non-current liabilities which decreased by 20% or by ₱19.275 million, from ₱94.362 million to ₱75.087 million.

Current liabilities as of December 31, 2021 amounted to ₱47.002 million which is a slight increase of 3% or ₱1.476 million from the ₱45.525 million for the previous year. Accounts payable and other current liabilities increased by 7% or by ₱2.867 million from ₱38.529 million in 2020 to ₱41.653 million in 2021.

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. Accrued retirement benefits amounted to ₱4.756 million as at December 31, 2021 which is about the same with the previous year's ₱4.790 million.

Refundable deposits refer to the ₱0.025 million Golf Club Maintenance Deposit ("GCMD") paid by every golf 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 26 GCMD payments received in 2021.

Statement of Financial Position - Interim as at March 31, 2022

The Club's total assets increased by ₱25.234 million or by 5%, from ₱394.993 million as at December 31, 2021 to ₱415.028 million as at March 31, 2022. The Club's property and equipment slightly decreased by ₱4.815 million from ₱372.452 million to ₱367.637 million as a result of depreciation. On the other hand, current assets increased to ₱47.391 million mainly due to the additional collections of one-year monthly dues from members availing of the one-month discount offered until February 28, 2022.

Cash and cash equivalents increased from ₱9.609 million by ₱1.140 million or by 12% to ₱10.750 million.

Inventories increased by ₱0.121 million or by 5% from ₱2.635 million as at December 31, 2021 to ₱2.756 million as at March 31, 2022.

Prepayments and other current assets also increased by ₱20.934 million from ₱3.088 million to ₱24.022 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 ₱16.253 million or 35%, from ₱47.002 million as at December 31, 2021 to ₱63.254 million as at March 31, 2022. This is mainly due to the additional accruals and the advance payment of one-year monthly dues from members as at March 31, 2022. 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 for the Club.

The Club's non-current liabilities include refundable deposits, accrued retirement costs, loans payable and deferred income tax liability. As at March 31, 2022, this account increased by ₱1.150 million from ₱75.087 million as at December 31, 2021 to ₱76.238 million as at March 31, 2022 mainly due to additional refundable deposits (GCMD) collected

There were already seventeen (17) GCMD payments received as at March 31, 2022.

Statement of Comprehensive Income

The Club had a net income before depreciation and income tax of ₱8.258 million in 2021 which is a 375% or ₱11.259 million turnaround from the net loss before depreciation, income tax and other income of ₱3.002 million in 2020. As compared to 2019, however, this is lower by 56% or by ₱10.444 million. After depreciation, income tax and other income, the Club had a net loss of ₱7.667 million in 2021 which is lower by 73% or by ₱21.096 million from ₱28.763 million in 2020.

Total receipts of the Club amounted to ₱68.589 million in 2021, which is lower than the ₱66.220 million in 2020 by 4% or by ₱2.369 million and also lower than the ₱77.750 million revenues registered in 2019 by 12% or by ₱9.161 million. This includes members' assessments for membership dues and Club fees and revenues from the Club's operations. Membership dues amounted to ₱46.226 million which is higher by 5% or by ₱2.118 million compared to the ₱44.108 million in 2020. Membership activation fees is also higher by 54% or by ₱0.925 million from ₱1.700 million in 2020 to ₱2.625 million in 2021. Moreover, assignment and transfer fees is higher by 105% or by ₱1.650 million from ₱1.575 million in 2020 to ₱3.225 million in 2021.

Green fees and tournament fees amounted to ₱5.319 million in 2021, lower by 59% or by ₱7.759 million compared to the ₱13.007 million in 2020. Merchandise sales of ₱1.802 million in 2021 is also lower by 18% or by ₱0.407 million compared to ₱2.209 million in the previous year. On the other hand, driving range revenue and golf cart rentals in 2021 of ₱4.379 million is higher by 25% or by ₱0.885 million compared to the ₱3.494 million in 2020. Unused consumables recorded in 2021 amounted to ₱5.014 million which include the consumables from 2020 of ₱1.977 million forfeited on March 31, 2021.

Cost of goods sold and services in 2021 amounted to ₱47.970 million while operating expenses other than depreciation amounted to ₱12.372 million which are lower than the previous year of ₱55.476 million and ₱13.969 million, respectively. In 2019, cost of goods sold and services amounted to ₱65.404 million while operating expenses other than depreciation was at ₱20.187 million.

Materials, supplies and facilities costs is lower by 76% or by ₱7.534 million with ₱9.882 million in 2020 and ₱2.348 million in 2021. Communication, light and water costs is lower by 36% or by ₱1.622 million, ₱4.536 million in 2020 and ₱2.914 million in 2021. Costs of outside services is also lower by 20% or by ₱0.639 million, ₱2.544 million in 2020 and ₱3.183 million in 2021. On the other hand, repairs and maintenance is higher by ₱8% or by ₱1.676 million with ₱20.571 million in 2020 and ₱22.246 million in 2021. Security services is higher by 5% or by ₱0.217 million, ₱3.965 million in 2020 and ₱4.182 million in 2021. Personnel costs is higher by 4% or by ₱0.485 million with ₱11.979 million in 2020 and ₱12.465 million in 2021.

The Club had other income in the amount of ₱0.775 million in 2021, ₱0.084 million in 2020 and ₱27.147 million in 2019. 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 2021 interest income of ₱0.393 million is lower by 71% or by ₱0.980 million compared to ₱1.373 million in 2020. Interest expense of ₱1.158 million in 2021 is lower by 6% or by ₱0.076 million. This is primarily due to the interest expenses incurred on the payment of the finance lease acquired by the Club for the purchase of various golf equipment as well as of one unit of transportation equipment for use as employees' shuttle. Interest expense also includes movements in refundable deposit accretion of interest as a result of the cancellation of GCMD payments from auctioned and terminated memberships in 2021. Provision for current income tax pertains to final tax on interest income from savings deposits and minimum corporate income tax amounting to ₱0.108 million for 2019 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, 2022

For the three (3) months period ended March 31, 2022, the net income before depreciation and income tax amounted to ₱5.627 million which is higher by ₱2.301 million or by 69%, as compared to the ₱3.326 million of the same period last year. The Club posted a total comprehensive loss in the amount of ₱2.469 million for the period ended March 31, 2022 as compared to the ₱4.031 million during the same period last year.

The Club's total revenues generated for the three (3) months ended March 31, 2022 amounted to ₱24.523 million, which is higher by ₱7.186 million or by 41% as compared to last year's ₱17.336 million. Assessment of monthly dues which is ₱4,200/member amounted to ₱11.819 million, representing 48% of the Club's total revenues. Green fees and tournament revenues on the other hand amounted to ₱7.368 million, representing 30% of the Club's total revenues.

Membership fees amounted to ₱1.400 million while transfer fees totaled to ₱1.650 million, higher by ₱0.800 million and ₱0.825 million, respectively. Golf cart rentals of ₱1.375 million is also higher by ₱0.521 million or by 61% compared to the ₱0.854 million of the same period last year. Moreover, driving range revenues amounted ₱0.043 million which is higher compared to the previous year of ₱0.004 million.

The Club's "other income" of ₱0.248 million this year is lower by ₱0.171 million or by 41% compared to the ₱0.420 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 UITF.

Interest income amounted to ₱0.064 million which is lower than the ₱0.289 million in 2021. This includes collected late payment charges from monthly dues and earned interests on bank deposits.

Costs and operating expenses amounted to ₱19.108 million this year which is higher by 31% or by ₱4.517 million, compared to the ₱14.591 million during the same period in 2021. This is mainly due to the tournament expenses incurred in the amount of ₱4.194 million as golf tournaments are already allowed. A review of the other expense accounts shows major variances as follows:

- a. Increase in personnel costs by ₱0.272 million or by 7% from last year's ₱3.912 million to this year's ₱4.184 million mainly due to the increase in the number of employees and adjustment of salaries of regularized employees;
- b. Increase in utilities expense by ₱0.430 million or by 56% from last year's ₱0.764 million to this year's ₱1.194 million as a result of the tournaments for the month of March 2022;
- c. Increase in materials, supplies and facilities by ₱3.957 million or by 507% from last year's ₱0.781 million to this year's ₱4.738 million; and
- d. Decrease in professional fees by ₱0.199 million or by 26% from last year's ₱0.772 million to this year's ₱0.573 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 lower by 22% or by ₱0.028 million, from ₱0.127 million in 2021 to ₱0.100 million this year as some loans were paid.

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) measure 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 at December 31, 2021, the Club had a working capital deficiency of ₱24.461 million compared to a working capital deficiency of ₱25.514 million in 2020. The decrease in the deficiency of ₱1.053 million is mainly due to the increase in cash and decrease in payables. The base equity ratio of the Club in 2021 is at 69% and is higher as compared to last year's 67%.

Collection from members (monthly dues and other charges) amounts to ₱64.481 million and ₱54.910 million in 2021 and 2020, respectively. The increase is mainly due to higher monthly dues billed and collected from members during the year 2021.

For the year 2021, the Club has a ₱8.258 million net income before taxes and depreciation compared to the net loss of ₱3.004 million in 2020 and ₱18.702 million net income in 2019.

Top Five (5) Key Performance Indicators Interim as at March 31, 2022

As at March 31, 2022, the Club had a working capital deficiency of ₱15.863 million which is an improvement of ₱8.598 million compared to the deficiency of ₱24.461 million as at December 31, 2021. 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 at March 31, 2022 is at 66% which is lower compared to the 69% as at December 31, 2021. This is mainly due to the significant increase in total assets contributed from the operations.

Collections from members (monthly dues and other charges) amounts to ₱27.049 million as at March 31, 2022 and is higher compared to the ₱26.665 million from December 31, 2021.

For the three months ended March 31, 2022, the Club had a ₱5.627 million net income before taxes and depreciation which is higher compared to the ₱3.325 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 ₱2.301 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 at December 31, 2021. 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, Camp John Hay Golf Club, Inc. 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, like typhoons and earthquakes, however, continues to pose a risk to the Club's operations.

Audit and Audit-Related Fees

The Club incurred ₱0.330 million including out-of-pocket expenses for the 2021 audit. For the past years 2020 and 2019, the Club paid ₱0.330 million and ₱0.330 million, respectively

to Isla Lipana & Co. and Sycip Gorres Velayo and 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 dues, green fees/tournament fees and golf cart rentals, which represent 72%, 20% and 5%, 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. Le Chef Inc. has been operating the said restaurant since November 17, 2009. Since November, 2019, 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 restored 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 and 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 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 20 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, 2021, the Club has 44 employees working full time and 16 outsourced personnel performing cleaning services and landscaping maintenance. The required manpower for the operations of the Club has been met and there is no expected future hiring of regular employees. However, the Club usually hires casual employees especially in its Golf Operations and Engineering Department during peak seasons when different tournaments are held.

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. With 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, 2021 is as follows:

a. Regular Memberships	2,500
b. Playing rights	39

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	67	1997
Ferdinand T. Santos	President/Governor	Filipino	67	1997
Rafael Perez de Tagle, Jr.	Treasurer/Governor	Filipino	67	1997
Gulshan Bedi	Governor	Filipino	57	2019
Francisco C. Gonzalez	Governor	Filipino	78	1999
Alfredo M. Mendoza	Governor	Filipino	72	2009
Ramon Luis F. Garcia	Ind. Governor	Filipino	59	2016
Mario V. Benitez, Jr.	Ind. Governor	Filipino	67	2015
Jaime M. Cacho	Governor	Filipino	65	2020
Mauricio G. Domogan	Ind. Governor	Filipino	75	2016 to 2014; 2020 to 2022
Gilbert Raymund T. Reyes	Corporate Secretary	Filipino	63	2004
Raymund M. C. Rodriguez	Assistant Corp. Secretary/ Compliance Officer	Filipino	56	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

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., Asia Pacific Corp., and CJH Development Corp. He is also Chairman of Metro Global Holdings Corp., which is publicly listed in the Philippine Stock Exchange. He is also the president of Forest Hills Golf & Country Club, Inc.

ATTY. FERDINAND T. SANTOS is the Chairman of the Board of Directors of Forest Hills Golf & Country Club, Inc. He is also the President of the Registrant, Fairways & Bluewater Resort Golf & Country Club, Inc., Fil-Estate Urban Development Corp., Metro Global Holdings Corp., CJH Development Corp., 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 Manila Southwoods Golf & Country Club, Inc. and Forest Hills Golf and Country Club.

GULSHAN BEDI is presently the Executive Vice President of Operations of CJH DevCo. 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. 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 Mall, BGC, Taguig City).

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. 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 of the Board of Governors of the U.P. Vanguard, Inc. He is also the Corporate Secretary of Levi Strauss Philippines, Inc., CJH Development Corporation, CJH Hotels, Inc., CJH Suites, Inc., and Southeast Asian Colleges, Inc. He is also 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. and WPG Electronics Philippines, 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., President and Director of Forest Hills Golf & Country Club, Inc.

Atty. Ferdinand T. Santos - Chairman of the Board of Directors 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., and Director and Treasurer of Forest Hills Golf & Country Club, 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 at December 31, 2021, there are 2,500 memberships issued and outstanding, and 39 local playing rights granted. As at March 31, 2022, there are 35 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)

	2021		2020	
	High	Low	High	Low
First Quarter	150,000	150,000	190,000	190,000
Second Quarter	200,000	150,000	190,000	190,000
Third Quarter	300,000	150,000	190,000	150,000
Fourth Quarter	280,000	250,000	220,000	130,000

Source: GGanda Club Shares Profile Report

Top Twenty (20) Holders of Memberships

Top twenty (20) holders of memberships of the Club as at December 31, 2021 are as follows:

Rank	Name	No. of Memberships Held	% to Total
1.	CJH Development Corporation	1,237	49.48%
2.	Philippine Veterans Bank	49	1.96%
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.	Manuel A. Roxas	2	0.08%
16.	San Miguel Corporation	2	0.08%
17.	SM Investments Corporation	2	0.08%
18.	Isabel C. Suntay	2	0.08%
19.	Universal Rightfield Property Holdings, Inc.	2	0.08%
20.	Manuel B. Zamora	2	0.08%

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

Rank	Name	No. of Memberships Held	% to Total
1.	CJH Development Corporation	1,227	49.08%
2.	Philippine Veterans Bank	49	1.96%
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%
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16.	San Miguel Corporation	2	0.08%
17.	SM Investments Corporation	2	0.08%
18.	Isabel C. Suntay	2	0.08%
19.	Universal Rightfield Property Holdings, Inc.	2	0.08%
20.	Manuel B. Zamora	2	0.08%

Dividends

Not applicable.

Recent Sales of Unregistered Securities

Not applicable.

Discussion on the Compliance with Leading Practice on Corporate Governance

The Club has adopted the SEC Corporate Governance Self-rating Form as a tool to evaluate the level of compliance with its New Manual on Corporate Governance. In addition, Atty. Raymund Martin C. Rodriguez, the Compliance Officer of the Club, reviews periodically the

level of performance of the governors, officers, and significant employees with the leading practices and principles of good governance as embodied in the Code of Corporate Governance for Public Companies and Registered Issuers, as prescribed by SEC Memorandum Circular No. 24, Series of 2019, and the Securities Regulation Code and the Club's New Manual on Corporate Governance, and the rules and regulations that the SEC may issue from time to time.

There have been no violations of the provisions of the Club's New Manual on Corporate Governance and no governor, officer, or employee has been sanctioned by reason thereof. There are existing conditions in the management of the Club requiring formulation of plans to improve corporate governance compliance of the Club.

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, ASSISTANT GENERAL MANAGER, CAMP JOHN HAY GOLF CLUB, INC., LOAKAN ROAD, BAGUIO CITY.