COVER SHEET

C S 2 0 1 4 1 2 2 2 9
S.E.C. Registration Number

ALVIERA COUNTRY CLUB, INC.

(Company's Full Name)

ALVIERA COUNTRY CLUB
BRGY. HACIENDA DOLORES
PORAC, PAMPANGA
(Business Address: No. Street City/Town/Province)

Atty. Reinerr John Nuestro
Contact Person

0956-201-7709
Company Telephone Number

12 | 31
Month | Day
END OF FISCAL YEAR

SEC FORM 20-IS (Definitive Information Statement)
FORM TYPE

September 30
Month Day
ANNUAL STOCKHOLDERS' MEETING (PER BY-LAWS)

Secondary License, if applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

NOTICE OF THE 2023 ANNUAL STOCKHOLDERS' MEETING

TO ALL SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of ALVIERA COUNTRY CLUB, INC. (the "Corporation") will be held on **29 September 2023**, **Friday**, at **01:00 P.M.** via online remote communication, with the following

AGENDA

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 30 September 2022
4. Ratification of all Acts, Contracts, Investments, and Resolutions of the Board of Directors and Acts of Management since the last Annual Stockholders' Meeting
5. Presentation and Approval of the President's Report and the 2022 Audited Financial Statements
6. Election of Directors
7. Appointment of Independent External Auditor and Fixing of its Remuneration
8. Other Matters
9. Adjournment

The record date for stockholders of record entitled to notice of, and vote at, this meeting is **30 June 2023.**

In view of the continuous need to comply with safety measures and protocols and in support of the Corporation's environmental corporate social responsibility, stockholders may only attend the meeting through remote videoconferencing facilities and voting *in absentia*. Stockholders interested to participate through any of these means should notify the Corporation by email to members@alvieracountryclub.com not later than **14 September 2023**. The guidelines for registration, attendance through remote videoconferencing, and voting *in absentia* or by proxy shall be sent by email to the interested stockholders. These guidelines are also set out in the Information Statement which is available in the Corporation's website.

Any instrument authorizing a proxy to act as such must be submitted and received at the principal office of the corporation on or before **15 September 2023 at 5:00 P.M.**, addressed to the attention of the Corporate Secretary. Corporate shareholders are required to submit duly notarized Secretary's Certificates attesting to the resolution of the Board of Directors designating their proxies. Validation of proxies shall be on **20 September 2023 at 11:00 A.M.** at the principal office of the Corporation. No proxy is being solicited.

San Juan City, 16 August 2023.

ATTY. ANNA LIZA M. ANG-CO
Corporate Secretary

ACC_Notice of ASM 29 September 2023_v2/(reinerr/vlad)[CFA Law]

PROXY FORM

The undersigned, being a stockholder of ALVIERA COUNTRY CLUB, INC. (the "Corporation"), hereby names, constitutes and appoints

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with right of substitution and revocation, to represent and vote all shares registered in my name or owned by me and/or such shares as I am authorized to represent and vote in my personal capacity and/or capacity as administrator, executor or attorney-in-fact in respect of any and all matters presented during the Annual Stockholders' Meeting of the Corporation as hereinafter set forth to be held on **29 September 2023** and all adjournments and postponements thereof.

1. **Election of Directors of the Corporation**

Authority to vote for the following nominees is:

Granted	Withheld	
		Clarissa Teresita L. Asuncion
		Augusto D. Bengzon
		Jessie D. Cabaluna (independent director)
		Bernard Vincent O. Dy
		Jose P. De Jesus (independent director)
		Robert S. Lao
		Carlo Leonardo N. Leonio
		Lawrence Conrad N. Leonio
		Leonardo L. Leonio
		Oscar S. Reyes (independent director)
		Jennylle S. Tupaz

2. **Other Matters**

For	Against	Abstain	
			Approval of the Minutes of the Previous Annual Stockholders' Meeting held on 30 September 2022.
			Ratification of all Acts, Contracts, Investments, and Resolutions of the Board of Directors and Acts of Management since the last Annual Stockholders' Meeting.
			Presentation and Approval of the President's Report and the 2022 Audited Financial Statements.
			Appointment of Independent External Auditor and Fixing of its Remuneration

This proxy revokes all proxies which I may have previously executed concerning the above matters. This proxy shall be effective until withdrawn by me through notice in writing, or superseded by subsequent proxy, delivered to the Corporate Secretary at least six (6) business days before the date of the meeting or any adjournments and postponements thereof, but shall cease to apply in instances where I personally attend the meeting.

______________________________________ __________________

Printed Name and Signature Date

No solicitation of votes is made by the registrant or by a person other than the registrant.

Important Notes:

A scanned copy of this proxy must be submitted to the Corporate Secretary at members@alvieracountryclub.com on or before **15 September 2023 at 5:00 P.M.**, the deadline for submission of proxies. For corporate stockholders, please attach to this proxy form the Secretary's Certificate on the authority of the signatory to appoint the proxy and sign the form.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder. If no direction is made, this proxy will be voted for the election of the nominees and the approval of the matters stated above and such other matters as may properly come before the meeting in the manner described in the Information Statement and/or as recommended by the Chairman.

A stockholder granting a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder registers in the online registration and voting system.

All materials of the meeting, including the Information Statement and President's Annual Report, may be accessed by the stockholders at the Corporation's website at https://acc.alviera.ph/.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF
ALVIERA COUNTRY CLUB, INC.
(the "Corporation" or "Club")

Pursuant to Section 20 of the Securities Regulation Code

1. **Check the appropriate box:**

   [ ] Preliminary Information Sheet
   [√] Definitive Information Sheet

2. **Name of Registrant as specified in this Charter**:

   ALVIERA COUNTRY CLUB, INC.

3. **Province, country and other jurisdiction of incorporation or organization:**

   REPUBLIC OF THE PHILIPPINES

4. **SEC Identification Number:** CS201412229

5. **BIR Tax Identification Code:** 008-805-693

6. **Principal Office:** **Alviera Country Club**
   Brgy. Hacienda Dolores, Porac, Pampanga
   2008

   Postal Address: **c/o Ayala Land, Inc.**
   28/F Tower One and Exchange Plaza
   Ayala Triangle, Ayala Avenue, Makati City
   1226

7. **Registrant's telephone number, including area code:** (045) 304-1597/(02) 817-6791 to 95

8. **Date, time and place of the meeting of security holders:**

   Date - 29 September 2023
   Time - 01:00 P.M.
   Place - *via remote communication*
   Tala Ballroom A, Alviera Country Club
   Brgy. Hacienda Dolores, Porac, Pampanga 2008

9. **Approximate date of which the Information Statement is first to be sent or given to security holders:**

   8 September 2023

10. **Proxy solicitation**

WE ARE NOT ASKING YOU FOR A PROXY AND YOU
ARE REQUESTED NOT TO SEND US A PROXY

11. Securities registered pursuant to Section 8 of the SRC

a. Shares of Stock

Title of Each Class	
Common – Class B	2,600
Common – Class C	300
TOTAL	2,900

b. Amount of Debt Outstanding as of 30 June 2023

Trade and Construction related liabilities	₱163.79 million

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

[ ] Yes [√] No

A. GENERAL INFORMATION

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

(a) Date, time and place of meeting of security holders:

Date	-	29 September 2023
Time	-	01:00 P.M.
Place	-	*via remote communication* Tipunan, Alviera Country Club Brgy. Hacienda Dolores, Porac, Pampanga 2008
Principal Office	-	Alviera Country Club Brgy. Hacienda Dolores, Porac, Pampanga

(b) Approximate date on when the Information Statement is to be first sent or given to security holders at least fifteen (15) business days prior to meeting date:

8 September 2023

Item 2. Dissenters' Right of Appraisal

Under Section 41, Title IV, and Section 80, Title X, of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

(a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;

(c) In case of merger or consolidation;

(d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation; and

(e) Investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the Corporation was organized.

There are no matters or proposed corporate actions which may give rise to a possible exercise by stockholders of their appraisal rights.

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

(a) No current director or officer of the Corporation, or nominee for election as director of the Corporation nor any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

(b) No director has informed the Corporation in writing that he intends to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of Shares Outstanding as of 30 June 2023:

Title of Each Class	
Common – Class A (Founders')	3,700
Common – Class B	2,600
Common – Class C	300
Common – Class D	200
TOTAL	6,800

Number of Votes Entitled: One (1) vote per share

(b) Record Date

All stockholders of record as of 30 June 2023 are entitled to receive notice of the annual stockholders' meeting.

(c) Manner of Voting

Section A (1) of the Seventh Article of the Corporation's Articles of Incorporation states that upon the expiry of five (5)-year period from the date of incorporation of the Corporation, Class A Shares shall, for all intents and purposes, be deemed to be a holder of a regular Class A share, whereby the voting rights of the holders of the Class A shares shall be equal in all respects to the voting rights of all the other classes of shares of the Corporation and, provided further, that these rights shall at all times be exercised in accordance with the Corporation's By-Laws.

Section 23 of the Revised Corporation Code states in part, "stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws or where the bylaws are silent, at the time of the election. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit".

All stockholders of record, regardless of the class of share held by a stockholder, shall have the right to vote in all matters requiring stockholders' approval, including the right to nominate and vote for the persons who shall serve as directors of the Corporation. However, only stockholders who are members in good standing shall have the right to be voted for as member of the Board of Directors of the Corporation.

Nominations for membership in the Board of Directors have been submitted to the Corporate Governance and Nomination Committee in accordance with the procedure for nomination under the Corporation's By-laws and Manual on Corporate Governance.

Holders of Class A, Class B, Class C and Class D shares as of 30 June 2023 shall thus vote in the following manner:

> **Article VI of the By-Laws, Section 6**. **Manner of Voting**. Subject to the Seventh Article of the Articles of Incorporation and Article II, Section 2(c) of

this By-laws, a shareholder shall be allowed to vote in person or by proxy at all meetings of shareholders. Proxies shall be executed in writing by the shareholder or his or its duly authorized attorney-in-fact and shall be submitted to the Corporate Secretary at least three (3) business days prior to the scheduled date of the meeting. Except in those cases where the law provides for a higher voting requirement, all corporate acts requiring approval of the shareholders under the Corporation Code of the Philippines shall be approved by a majority of the entire subscribed capital stock; *provided*, that for the first five (5) years from the date of incorporation of the Club, the approval of holders of at least a majority (or in the event that the law requires a higher percentage for the approval of certain acts, then such higher percentage) of the Founders' Shares shall be necessary for the approval of shareholders for their effectivity and validity.

In view of the continuous need to comply with health and safety measures and protocols, and to ensure the health and safety of its shareholders, the Board of Directors resolved on 23 May 2023 to adopt the guidelines promulgated in SEC Memorandum Circular No. 6, series of 2020, allowing the Corporation to hold the Annual Stockholders' Meeting through videoconferencing and other remote or electronic means of communication and voting *in absentia,* notwithstanding the absence of such provision in the By-Laws. A stockholder voting electronically *in absentia* shall be deemed present for purposes of the quorum.

For the convenience of its shareholders. The Corporation issued and is making available to the shareholders internal rules and procedure embodying the mechanisms for registration of shareholders and their participation in the meeting through remote communication and voting *in absentia* or by proxy, a copy of which is attached hereto as **Annex A.**

(d) Security Ownership of Certain Record and Beneficial Owners and Management as of 30 June 2023:

(1) Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of 30 June 2023:

Title of Class	**Name & Address of Record Owner & Relationship w/ Issuer**	**Name of Beneficial Owner & Relationship w/ Record Owner**	**Citizenship**	**No. of Shares**	**Percentage**
Class A Class B Class C Class D	Nuevocentro, Inc. ("NCI") 28/F Tower One & Exchange Plaza, Ayala Ave. Makati City NCI is the parent of the Corporation.	NCI is both the beneficial and record owner of the shares.	Filipino	3,688 2,493 294 200	98.16%
TOTAL				6,675	

- The Board of Directors of NCI has the power to decide how NCI's shares in the Corporation are to be voted. The following are the incumbent members of the Board of Directors of NCI: Bernard Vincent O. Dy, Anna Ma. Margarita B. Dy, Robert S. Lao, Antonino T. Aquino, Arturo G. Corpuz, Leonardo L. Leonio, Clarissa Teresita L. Asuncion, Lawrence Conrad N. Leonio, and Carlo Leonardo N. Leonio.

- NCI has authorized the appointment of Bernard Vincent O. Dy, Anna Ma. Margarita B. Dy, Robert S. Lao, Antonino T. Aquino, Arturo G. Corpuz, Leonardo L. Leonio, Clarissa Teresita L. Asuncion, Lawrence Conrad N. Leonio, Carlo Leonardo N. Leonio and Atty. Anna Liza M. Ang-Co, Atty. Reinerr John A. Nuestro, Atty. Vladimir Joy M. Tamargo, Charmaine Kaye M. Nartates, and Mary Margaret T. Macasiray as proxies to vote the shares of NCI in the Corporation.

(2) Security Ownership of Directors and Officers as of 30 June 2023:

Title of Class	**Name**	**Position**	**Amount & Nature of Ownership**	**Citizenship**	**Percentage**
Class A	Bernard Vincent O. Dy	Chairman and Director	1 (record owner)	Filipino	0.01%
Class A	Leonardo L. Leonio	Vice-Chairman and Director	1 (record owner)	Filipino	0.01%
Class A	Robert S. Lao	President and Director	1 (record owner)	Filipino	0.01%
Class A	Clarissa Teresita L. Asuncion	Treasurer and Director	1 (record owner)	Filipino	0.01%
Class A	Augusto D. Bengzon	Director	1 (record owner)	Filipino	0.01%
Class A	Carlo Leonardo N. Leonio	Director	1 (record owner)	Filipino	0.01%
Class A	Lawrence Conrad N. Leonio	Director	1 (record owner)	Filipino	0.01%
Class A	Jennylle S. Tupaz	Director	1 (record owner)	Filipino	0.01%
Class A	Jose P. De Jesus	Independent Director	1 (record owner)	Filipino	0.01%
Class A	Oscar S. Reyes	Independent Director	1 (record owner)	Filipino	0.01%
Class A	Jessie D. Cabaluna	Independent Director	1 (record owner)	Filipino	0.01%
	Marian Melanie Barbara B. Eugenio-Triviño	General Manager for Development	0	Filipino	N/A
	Johann V. Ramirez	General Manager	0	Filipino	N/A
	Ma. Divina Y. Lopez	Comptroller and Chief Finance Officer	0	Filipino	N/A
	Anna Liza M. Ang-Co	Corporate Secretary	0	Filipino	N/A
	Reinerr John A. Nuestro	Assistant Corporate Secretary	0	Filipino	N/A
	Regina F. Magbitang	Assistant Treasurer	0	Filipino	N/A
	Jenny Vie H. Julia	Chief Audit Executive	0	Filipino	N/A
	Amelia Ann T. Alipao	Data Protection Officer	0	Filipino	N/A
Security Ownership of all Directors, Officers, and Nominee			**11**		**0.11%**

None of the members of the Corporation's Board of Directors and management owns 2% or more of the outstanding capital stock of the Corporation.

(e) Voting Trust Holders of 5% or More

The Corporation knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

(f) Change in Control

No change of control in the Corporation has occurred since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

Article VII, Section 1 of the Amended By-laws of the Corporation provides:

> "**Section 1. Composition of the Board**. The corporate powers of the Club shall be exercised, its operations managed, and its property controlled by a Board of Directors consisting of such number of members as prescribed in the Sixth Article of the Articles of the Corporation. For the first five (5) years from the date of incorporation of the Club, each director must be a holder of a Founders' Share at the time of election and must remain as such during his tenure as director. Following the fifth (5^{th}) anniversary of the date of incorporation of the Club, each director must be a stockholder who is a member in good standing at the time of election and must remain as such during his tenure as director. The directors shall be elected at the annual stockholders' meeting and shall hold office for one (1) year and until their successors are duly elected and qualified."

(a) Directors and Executive Officers – Please refer to **Annex B**.

(1) Directors, Independent Directors and Executive Officers

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

Bernard Vincent O. Dy
Leonardo L. Leonio
Robert S. Lao
Clarissa Teresita L. Asuncion
Augusto D. Bengzon
Carlo Leonardo N. Leonio
Lawrence Conrad N. Leonio
Jennylle S. Tupaz
Jose P. De Jesus
Oscar S. Reyes
Jessie D. Cabaluna

Mr. Jose P. De Jesus, Mr. Oscar S. Reyes, and Ms. Jessie D. Cabaluna were nominated as independent directors of the Corporation for the ensuing year by Engr. Dennis Muga Carlos. Engr. Dennis Muga Carlos is not related to the nominees for independent directors.

Attached as **Annexes B-1, B-2, and B-3,** respectively, are their individual Certifications of Qualification of Independent Directors. Also attached as **Annex B-4** is the stock certificate showing the shareholding of Ms. Jessie D. Cabaluna. Ms. Jessie D. Cabaluna was previously elected by the Board of Directors as an Independent Director on 31 March 2023 to serve the unexpired term of former Director Mr. Arturo G. Corpuz following the latter's resignation, pursuant to Section 28 of the Revised Corporation Code.

The Corporate Governance and Nomination Committee of the Corporation endorsed the above nominees for election at the forthcoming Annual Stockholders' Meeting. The Corporate Governance and Nomination Committee is composed of the following members: Mr. Jose P. De Jesus, as Chairperson, and Mr. Oscar S. Reyes, Ms. Jessie D. Cabaluna, Mr. Robert S. Lao, and Mr. Carlo Leonardo N. Leonio, as members.

The Corporation has adopted the SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) of the Securities Regulation Code and compliance therewith has been made.

The above-named nominees are expected to attend the Annual Stockholders' Meeting.

(2) Significant Employees

The Corporation considers its human resources working as a team as a key element for its continued success. The Corporation has no employee and non-executive officer who is expected to make individually on his own a significant contribution to the business.

(3) Family Relationships

Leonardo L. Leonio is the father of Clarissa Teresita L. Asuncion, Lawrence Conrad N. Leonio and Carlo Leonardo N. Leonio.

(4) Involvement in Legal Proceedings

There are no material pending legal proceedings, bankruptcy petition, conviction by final judgment, order, judgment or decree or any violation of a securities or commodities law for the past five (5) years to which the Corporation or any of its directors, executive officers and nominees for election as director is a party or of which any of its material properties is subject in any court or administrative agency of the Government.

(b) Certain Relationships and Related Transactions

(1) Related Transactions

The Club, in its regular conduct of business, has entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase of real estate properties, construction contracts, and development, management and administrative service agreements. Purchases of services from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

None of the directors, executive officers, and members of their immediate family owns ten percent (10%) or more of total outstanding shares in the Club.

No transactions shall be entered into by the Club in which any director, executive officer, nominee for election as director, security holder in the Club, or immediate family member of any of the foregoing, shall have a direct or an indirect material interest.

2) Ownership Structure and Parent Company

The Club's parent company is NCI which holds 98.16% of the total outstanding capital stock of the Club as of 30 June 2023. The directors of Club hold 0.11% of the total outstanding capital stock.

(3) Transactions with Promoters

The Club did not enter into any transactions with promoters.

(c) Resignation of Directors

To date, no director has resigned or declined to stand for re-election for the Board due to any disagreement with the Corporation relative to the Corporation's operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

(a) Executive Compensation

No remuneration shall be paid by the Club, directly or indirectly, to the directors of the Club. The officers of the Club enumerated in Item 4.d.2 above shall not receive any remuneration or compensation from the Club.

Strategic Landbank Management Group manages the operation of the Club under a Management Agreement.

(b) Compensation of Directors

(1) Standard Arrangement (Current Compensation)

Article VII, Section 1 (2nd paragraph) of the Corporation's Amended By-Laws provides:

"xxx Directors shall receive no salaries from the Club."

(2) Other Arrangement

None of the directors, in their personal capacity, has been contracted and compensated by the Club for services other than those provided as a director.

The Club has no other arrangement with regard to the remuneration of its existing directors and officers.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

The employment of the executive officers is covered by letters of appointment executed by the Club stating therein their respective job functionalities, among others.

(d) Warrants and Options Outstanding

The Club has not offered any stock warrants or stock options to any of its directors, executive officers or employees.

Item 7. Independent Public Accountants

(a) Independent Public Accountant

The external auditor of the Club for the most recently completed fiscal year is the accounting firm of SyCip Gorres Velayo & Co. ("SGV & Co.").

Pursuant to the General Requirements of SRC Rule 68, Paragraph 3 (Qualifications and Reports of Independent Auditors), the Club previously engaged SGV & Co. as external auditor. Mr. Carlo Paolo V. Manalang was the Partner-in-Charge from audit year 2016 and was the signing partner in the 2019 Auditor's Report. On 30 September 2020, the Board of Directors approved the appointment as external auditor for audit year 2020 of the Clark servicing office of the same accounting firm, with Mr. Jose Pepito Zabat III as the Partner-in-Charge.

On 23 May 2023, the Board of Directors, upon the endorsement of the Audit and Risk Oversight Committee, appointed PwC Isla Lipana & Co. ("PwC") as the Corporation's external auditor for fiscal year 2023. The appointment is being endorsed to the stockholders for approval at the scheduled annual meeting.

Representatives of PwC for the current year and SGV for the most recently completed fiscal year are expected to be present at the annual stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Club has formed the Audit and Risk Oversight Committee composed of Mr. Oscar S. Reyes as the Chairman, with Mr. Jose P. De Jesus, Ms. Jessie D. Cabaluna, Ms. Clarissa Teresita L. Asuncion, and Mr. Augusto D. Bengzon as members.

(b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Club has engaged the services of SGV & Co. since its incorporation until the most recently completed fiscal year. There have been no disagreements with SGV & Co. on any matter of accounting and financial disclosure.

(c) Audit and Audit-Related Fees

The Club paid SGV & Co. the following fees (exclusive of value-added tax and out-of-pocket expenses):

	Audit & Audit-related Fees	**Tax Fees**	**Other Fees**
2022	PhP201,020	-	PhP10,000
2021	PhP190,000	-	PhP9,500
2020	PhP185,000	-	PhP20,198
2019	PhP185,000	-	-
2018	PhP53,045	-	-
2017	PhP51,500	-	-
2016	PhP50,000	-	-

SGV & Co. was engaged by the Club to audit its financial statements up until the most recently completed fiscal year. As disclosed in Item 7(a) of this Information Statement, the Board of Directors, upon the endorsement of the Audit and Risk Oversight Committee, appointed PwC Isla Lipana & Co. ("PwC") as the Corporation's external auditor for fiscal year 2023.

The Audit and Risk Oversight Committee recommends to the Board the appointment of the external auditor and the fixing of the audit fees. The Board then recommends to the stockholders, for their approval, the said recommendation.

Item 8. Compensation Plans

There is no action to be taken up during the meeting pertaining to compensation plans.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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

There is no matter or corporate action to be taken up in the meeting with respect to the authorization or issuance of securities.

Item 10. Modification or Exchange of Securities

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Corporation's securities or the issuance or authorization for issuance of one class of the Corporation's securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

The Financial Information (with Management's Discussion and Analysis), Audited Financial Statements as of 31 December 2022, and Interim Unaudited Financial Statements as of 30 June 2023 are attached hereto as **Annexes C, D & E** respectively**.**

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition of securities or assets, sale or transfer of assets, or liquidation of the Corporation.

Item 13. Acquisition or Disposition of Property

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition by the Corporation of any property.

Item 14. Restatement of Accounts

The changes in the accounting policies have no impact on the statement of accounts as shown in Note 2 the 2022 Audited Financial Statements (attached hereto as **Annex D**).

D. CORPORATE ACTIONS

Item 15. Action with Respect to Reports

(a) Approval of the minutes of the 2022 Annual Stockholders' Meeting held on 30 September 2022 covering the following matters:

(i) Approval of the Minutes of the Annual Stockholders' Meeting held on 30 September 2021;

(ii) Ratification of All Acts, Contracts, Investments, and Resolutions of the Board of Directors and Acts of Management Since the Last Annual Stockholders' Meeting. These acts are covered by resolutions of the Board duly adopted in the normal course of trade or business;
(iii) Presentation and Approval of the President's Report and the 2021 Audited Financial Statements
(iv) Election of Directors; and
(v) Appointment of Independent External Auditor and Fixing of Remuneration.

(b) Presentation and Approval of the President's Report and the 2022 Audited Financial Statements.

Item 16. Matters Not Required to be Submitted

All matters or actions to be taken up in the meeting will require the vote of the Class A, Class B, Class C and Class D shareholders as of the record date.

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

There are no matters or actions to be taken up in the meeting with respect to any amendment of the Company's Articles of Incorporation, By-laws or other documents.

Item 18. Other Proposed Actions

(a) Ratification of all acts, contracts, investments, and resolutions of the Board of Directors and acts of the Management beginning 30 September 2022 until the 2023 Annual Stockholders' Meeting.

These acts are covered by the Resolutions of the Board of Directors duly adopted in the normal course of trade or business, like:

(i) Certification of the election of Directors, the Election of Officers and Committee Members and the Designation of Mr. Oscar S. Reyes as the Lead Independent Director

(ii) Approval of the updating of the authorization of Co Ferrer Ang-Co & Gonzales Law Officers ("CFA Law") to transact with the Bank of the Philippine Islands ("BPI") Stock Transfer Office and to sign and issue requests and/or instruction letters, receive the monthly ledgers, reports, and any other documents from the BPI Stock Transfer Office pertaining to the Corporation's Club shareholdings

(iii) Approval and Ratification of: (1) the 2022 and 2023 Internal Audit Plans; and (2) the Third Quarter ("3Q") 2022 Financial and Operating Results, as endorsed by the Audit and Risk Oversight Committee;

(iv) Approval and ratification of the new Club members for the period July 2022 to September 2022, as endorsed by the Membership Committee

(v) Approval and authorization to set the 2023 regular quarterly meeting of the Board of Directors

(vi) Approval and ratification of: (1) the Full Year 2022 Financial and Operating Results; (2) the Management Representation Letter for the year 2022 addressed to SGV & Co.; (3) the proposed amendments to the Audit and Risk Oversight Committee and Internal Audit Charters; and (d) the Revised 2023 Internal Audit Plan, as endorsed by the Audit and Risk Oversight Committee, and Notation of the Internal Audit Independence

(vii) Election of Ms. Jessie D. Cabaluna as an Independent Director to serve the unexpired portion of Director Arturo G. Corpuz's term

(viii) Election of Ms. Marian Melanie Barbara B. Eugenio-Triviño as General Manager for Development, to serve the unexpired portion of Mr. John Marcial R. Estacio's term

(ix) Approval to change the membership composition in the Audit and Risk Oversight Committee and the Corporate Governance and Nomination Committee

(x) Approval of the use of electronic signature ("e-signature") platform for bank deposits and updating of the signatories for bank transactions

(xi) Approval and ratification of the new Club members for the period October 2022 to December 2022, as endorsed by the Membership Committee

(xii) Approval of the increase in monthly dues with an effectivity date of 01 June 2023

(xiii) Approval of the transfer fee rate with an effectivity date of 2024, applicable to the death of members and sale of shares

(xiv) Approval and authorization of the Club Operations Management to contact, reach out, and/or communicate with Club members in connection with the settlement of their outstanding obligations in monthly dues, approval and authorization of the Executive Committee to review the process of the Club in reaching out, contacting, and/or communicating with Club members with outstanding obligations, and approval and authorization to issue written notices to the foregoing Club members, duly signed by the Treasurer of the Club, for the payment of their outstanding obligations and their automatic placement under delinquent status in accordance with the By-Laws and Members' Handbook of the Club, in case of failure to settle the outstanding obligations

(xv) Approval and authorization of the cessation of the services of BPI Stock Transfer Office as the Corporation's stock transfer agent effective 30 April 2023 and the engagement of Stock Transfer Services, Inc. ("STSI") effective 01 May 2023, and the approval and authorization of CFA Law to transact with STSI and to sign and issue requests and/or instruction letters, receive the monthly ledgers, reports, and any other documents pertaining to the Corporation's Club shareholdings

(xvi) Approval and ratification of the Financial Audit Results and Audited Financial Statements of the Corporation for the fiscal year ending 31 December 2022, as endorsed by the Audit and Risk Oversight Committee

(xvii) Provisional approval of the 2023 Full Year Budget as holdover budget, subject to further revisions by the Club Operations Management, as presented by General Manager Johann V. Ramirez

(xviii) Approval and ratification of: (1) the First Quarter ("Q1") 2023 Financial and Operating Results; (2) the appointment of PwC Isla Lipana & Co. ("Isla Lipana"), as the Corporation's independent external auditor, to examine the financial statements of the Corporation as of and for the taxable year ending 31 December 2023 and the fixing of its remuneration; and (3) the Revised 2023 Internal Audit Plan, as endorsed by the Audit and Risk Oversight Committee

(xix) Approval of the 2023 Budget, and the 2023 Capital Expenditure ("CAPEX") budget, as presented by the Club Operations Management

(xx) Approval and ratification of the new Club members for the period January 2023 to March 2023, as endorsed by the Membership Committee

(xxi) Approval of the setting of the Nomination Period, the Record Date of Stockholders, and the Submission and Validation of Proxies

(xxii) Approval of the setting of the Annual Stockholders' Meeting to 29 September 2023 and the participation of the stockholders in the Annual Stockholders' Meeting through remote communication or *in absentia*, and to engage third-party service providers to install and implement the remote communication system to be utilized during the Annual Stockholders' Meeting and authorization of the Corporate Secretary to formulate internal rules and procedures in line with the Revised Corporation Code and other SEC regulations on the conduct of the Annual Stockholders' Meeting through remote communication

(xxiii) Approval and ratification of the: (1) 2023 External Audit Plan by PwC; (2) the first half ("1H") Financial and Operating Results; and (3) Related Party Transactions Policy, and the notation of: (1) the Second Quarter ("2Q") 2023 Internal Audit Project; and (2) Status of Agreed Management Actions, as endorsed by the Audit and Risk Oversight Committee

(xxiv) Approval and ratification of the new Club members for the period April 2023 to June 2023, as endorsed by the Membership Committee

(xxv) Approval of the List of Candidates for the Board of Directors and Lead Independent Director, and the Persons Nominated as Officers and Members of the Committees, as endorsed by the Corporate Governance and Nomination Committee

(b) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year; and

(c) Appointment of the independent external auditor and fixing of its remuneration.

The approval of holders of at least a majority of the total number of Class A, Class B, Class C, and Class D Shares where their holders constituting a quorum are present in the meeting by person or proxy shall be necessary for the approval all the foregoing proposed corporate actions.

Item 19. Voting Procedures

(a) Vote Required

The vote of stockholders representing at least a majority of the issued and outstanding Class A, Class B, Class C, and Class D shares entitled to vote is required.

(b) Method of Voting

Traditionally, the shares are voted by verbal motion and duly seconded during the meeting. A matter is carried and approved when there is no objection from the floor. However, for the 2023 Annual Stockholders' Meeting, voting will be done *in absentia* or by proxy pursuant to SEC Memorandum Circular No. 6, series of 2020. The requirements and procedure for electronic voting *in absentia* and participation by remote videoconferencing are attached hereto as **Annex A**.

All shareholders of record as of 30 June 2023 shall have the right to vote in all matters requiring shareholders' approval, including the right to nominate and vote for the persons who shall serve as directors of the Corporation.

E. OTHER MATTERS

Item 20. Membership

The Corporation has 583 members all of whom are in good standing as of 30 June 2023.

Item 21. Monthly Dues

The Club's monthly dues as of 30 June 2023 is ₱4,240.00, broken down as follows:

Basic monthly dues	₱3,740.00
Consumable	500.00
TOTAL	₱4,240.00

Item 22. Status of Operation of the Corporation

In view of the relaxation of the national government's restrictions to address the COVID-19 pandemic, the Corporation is now fully operational (see further discussions in Part I of **Annex C** on the Plan of Operation).

Item 23. Properties of the Corporation

The total assets of the Corporation are valued at ₱926.51 million in its Audited Financial Statements as of 31 December 2022 (see **Annex D**).

All the facilities and amenities of the Corporation are fully completed.

[Signature Page follows]

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City **on** 05 SEP 2023**.**

ALVIERA COUNTRY CLUB, INC.

By:

ROBERT S. LAO
President

ACC_INFORMATION STATEMENT (CFA LAW/RAN)

ACC_INFORMATION STATEMENT (GM JOHANN RAMIREZ)

Annex A

Internal Procedure for Voting *In Absentia* and Participation by Remote Communication

ANNEX A

2023 ANNUAL STOCKHOLDERS' MEETING
(the "Meeting")

INTERNAL PROCEDURE FOR
VOTING *IN ABSENTIA* AND
PARTICIPATION BY REMOTE COMMUNICATION

I. REGISTRATION

1. Stockholders as of June 30, 2023 ("Stockholders") who wish to attend the meeting by remote videoconferencing facilities and vote *in absentia* must register online. To register, Stockholders must send an email **on or before 14 September 2023** to members@alvieracountryclub.com informing the Corporation of their intention to attend by remote communication and vote *in absentia*.

2. The Stockholders will then be given a link to the shareholder registration system. They should follow the instructions sent to their e-mail address, complete the online registration form and submit it together with the requirements listed below for validation **on or before 15 September 2023**.

3. In addition to the online registration form, the following are needed for registration:

   (a) For **Individual Stockholders**–

   (i) A recent photo of the Stockholder, with the face fully visible (in JPG format). The file size should be no larger than 2MB;
   (ii) A scanned copy of the front and back portions of the Stockholder's valid government- issued ID, with his photo and preferably with residential address (in JPG format). The file size should be no larger than 2MB;
   (iii) A valid and active e-mail address;
   (iv) A valid and active contact number;
   (v) For Stockholders with joint accounts –
   A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG format). The file size should be no larger than 2MB;

   (b) If attendance and/or voting *in absentia* will be by proxy, all the requirements in paragraph I. 3(a), and the following:
   (i) Duly filled-up and signed Proxy
   (ii) A scanned copy of the front and back portions of the Proxy's valid government-issued ID, with his photo and preferably with residential address (in JPG format). The file size should be no larger than 2MB;
   (iii) A valid and active e-mail address;
   (iv) A valid and active contact number;

   (c) For **Corporate Stockholders** –
   (i) A Secretary's Certificate attesting to the authority of the representative/proxy to vote for, and on behalf of the Corporation (in JPG format). The file size should be no larger than 2MB;

(ii) A recent photo of the stockholder's representative/proxy, and Corporate Secretary, with the face fully visible (in JPG format). The file size should be no larger than 2MB;

(iii) A scanned copy of the front and back portions of the valid government-issued ID of the Stockholder's representative/proxy and Corporate Secretary, with photo, preferably with residential address (in JPG format). The file size should be no larger than 2MB;

(iv) A valid and active e-mail address of the Stockholder's representative/proxy;

(v) A valid and active contact number of the Stockholder's representative/proxy.

The Corporation shall respect the rights of the Stockholders with respect to his/her personal data as provided under the Data Privacy Act. The information obtained under these Rules shall be used exclusively for purposes of determining the identity of the Stockholders' of the Corporation and providing them the opportunity to attend the meeting through remote communication and vote *in absentia*.

Important Note: The submission of incomplete or inconsistent information may result in an unsuccessful registration in which case the Stockholder will not be allowed access to the remote Meeting and vote electronically *in absentia*. However, depending on the reason for the unsuccessful registration, the Stockholder who was not able to register successfully may still be allowed by the Corporation, at its sole discretion, to vote through the Chairman of the Meeting as proxy by submitting a duly accomplished proxy form on or before **15 September 2023**.

The Corporation shall allow electronic signatures for the required documents, as applicable, except for documents that require notarization such as Secretary's Certificates. However, the Corporation reserves the right to request additional information, and original signed and notarized copies of these documents at a later time.

4. Once validated, the Stockholder will receive an e-mail confirmation on his or her successful registration.

II. VOTING IN ABSENTIA OR BY PROXY

1. Stockholders who have successfully registered will be given the link to the online voting system to provide them the opportunity to vote *in absentia*. The deadline for voting *in absentia* is **20 September 2023**. Beyond this date, Stockholders may no longer avail of the option to vote *in absentia*.

2. All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot and the registered Stockholder may vote as follows:

   (a) For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.

   (b) For the Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

3. Once voting on the agenda items is finished, the registered Stockholder can proceed to submit the accomplished ballot by clicking the 'Submit' button. The online system will prompt the Stockholder to confirm the submission of the ballot. The votes cast *in absentia* will have equal effect as votes cast in person or by proxy.

4. After the ballot has been submitted, Stockholders may no longer change their votes.

5. Stockholders who wish to vote by proxy will need to submit the requirements enumerated in paragraph I.3(b) and send it by return email to members@alvieracountryclub.com on or before **15 September 2023**.

6. The office of the Corporate Secretary of the Corporation will count and tabulate the votes cast *in absentia* together with the votes cast by proxy.

III. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders who are registered under the online system can attend the Meeting on 29 September 2023 by remote videoconferencing/communication by clicking the live feed access provided in the email.

2. Only Stockholders who have notified the Corporation of their intention to participate in the Meeting by remote videoconferencing/communication will be included in determining the quorum, together with the Stockholders who voted *in absentia* and by proxy.

3. As the meeting will be held via a one-way live webcast, stockholders who have questions and/or comments for Management must submit their questions on or before **15 September 2023** by email to members@alvieracountryclub.com if they wish their questions to be taken up or addressed during the live webcast.

4. All materials of the meeting, including the Information Statement, may be accessed by the Stockholders at the Corporation's website at https://acc.alviera.ph/.

5. The meeting shall be recorded. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting.

IV. OTHER RULES ON REMOTE COMMUNICATOIN

1. Turning on the video feature is encouraged unless it creates connection or bandwidth problems.

2. The Corporation and/or Chairman of the meeting reserve the right to adopt, amend, revise, delete or otherwise change the above rules, or any portion thereof, or make exceptions thereto as may be reasonably necessary at its discretion, to address any issues or exigencies, on a case to case basis.

Annex B
Board of Directors and Corporate Officers

ANNEX B

BOARD OF DIRECTORS AND CORPORATE OFFICERS

The write-ups below include positions currently held by the directors, corporate officers, and nominees to the Board of Directors and corporate officers, as well as positions held during the past five (5) years.

Incumbent Board of Directors

Bernard Vincent O. Dy	Lawrence Conrad N. Leonio
Leonardo L. Leonio	Jennylle S. Tupaz
Robert S. Lao	Jessie D. Cabaluna
Clarissa Teresita L. Asuncion	Jose P. De Jesus
Augusto D. Bengzon	Oscar S. Reyes
Carlo Leonardo N. Leonio	

Incumbent Corporate Officers

Bernard Vincent O. Dy	Chairman
Leonardo L. Leonio	Vice Chairman
Robert S. Lao	President
Clarissa Teresita L. Asuncion	Treasurer
Regina F. Magbitang	Assistant Treasurer
Marian Melanie Barbara B. Eugenio-Triviño	General Manager (Development)
Johann V. Ramirez	General Manager
Jenny Vie H. Julia	Chief Audit Executive
Ma. Divina Y. Lopez	Comptroller, Chief Finance Officer and Compliance Officer
Anna Liza M. Ang-Co	Corporate Secretary
Reinerr John A. Nuestro	Assistant Corporate Secretary
Amelia Ann T. Alipao	Data Protection Officer

Bernard Vincent O. Dy, Filipino, 60, has been a Director of the Club since 9 July 2014 and its Chairman since 21 November 2018. He has been the President & Chief Executive Officer of Ayala Land, Inc. (ALI) since 7 April 2014. Prior to this post, he was the Head of the Residential Business and Corporate Marketing and Sales of ALI. He is the Chairman of Prime Orion Philippines, Inc. and a director of Cebu Holdings, Inc. and Cebu Property Ventures and Development Corporation, all being publicly-listed companies. His other significant positions include: Chairman of Ayala Property Management Corporation, Makati Development Corporation, Ayala Land International Sales, Inc., Amicassa Process Solutions, Inc., Amaia Land Corporation, Avida Land Corp., Alveo Land Corp., AyalaLand Commercial Reit, Inc., Lagdigan Land Corporation, Bellavita Land Corporation, Avencosouth Corp., Ayagold Retailers, Inc., Station Square East Commercial Corporation, Aviana Development Corp., Cagayan De Oro Gateway Corp., BGSouth Properties, Inc., BGNorth Properties, Inc., BGWest Properties, Inc., Portico Land Corp., Nuevocentro, Inc,, and Philippine Integrated Energy Solutions, Inc.,; Vice Chairman of Ayala Greenfield Development Corporation; Chairman and President of Serendra, Inc.; and Director and President of Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc. Berkshires Holdings, Inc., Fort Bonifacio Development Corporation, Aurora Properties Incorporated, Vesta Property Holdings, Inc., Ceci Realty Inc., Alabang Commercial Corporation, Accendo Commercial Corp., Hero Foundation Incorporated, Bonifacio Art Foundation; Director of Whiteknight Holdings, Inc., AyalaLand Medical Facilities Leasing, Inc., Alveo-Federal Land Communities, Inc., ALI Eton Property Development Corporation; Trustee of Ayala Foundation, Inc.; and Member of Ayala Group Club, Inc. In 2015, he was inducted as member of the Advisory Council of the National Advisory Group for the Police Transformation Development of the Philippine National Police. He earned a degree of B.B.A Accountancy from the University of Notre Dame in 1985 and took his Master's Degree in Business Administration in 1989 and Masters in International Relations in 1997 both at the University of Chicago.

Leonardo L. Leonio, Filipino, 75, has been a Director and Vice Chairman since 21 November 2018. He was first elected as director of the Club on July 2014. He is the Chairman of the Board and Director of Leonio Land Holdings, Inc., Petrolift Holdings Inc., LLL Holdings Inc., Circle Corporate Inc., He is Chairman Emeritus of Petrolift Inc. and its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management Inc., Equasis Logistics Incorporated, and Marinelift Shipyard and Repair Inc. He is Chairman Emeritus and Director of LNL Archipelago Minerals Inc. since 2012. He attended the Business Administration program at the University of the Philippines.

Robert S. Lao, Filipino, 49, has served as Director and President of the Club since 30 September 2022. He is a Senior Vice President of ALI and a member of its Management Committee since April 19, 2017. He is also the Group Head of Ayala Land's Strategic Landbank Management Group and the Group Head of the Central Land Acquisition Unit. He is concurrently the Chairman of Amicassa Process Solutions Inc., Buendia Landholdings, Inc., Red Creek Properties, Inc., Crimson Field Enterprises, Inc., Amorsedia Development Corporation, AyalaLand Estates, Inc., President of AKL Properties Inc., Amaia Southern Properties Inc., Avencosouth Corp., and BGSouth Properties, Inc., BGNorth Properties, Inc., Chairman and President of Serendra, Inc., Arca South Integrated Terminal, Inc., President and Chief Operating Officer of Portico Land Corp., Vice Chairman of Alveo-Federal Land Communities Inc. and a Director in Alveo Land Corp., AyalaLand Premier, Inc., Ayala Land International Sales, Inc., Solinea, Inc., Amaia Land Corp., Bellavita Land Corporation, Avida Land Corp., Crans Montana Property Holdings Corporation, HLC Development Corporation., Ayala Greenfield Development Corp. Prior to joining Ayala Land, Inc., he served as a Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He is a licensed Real Estate Broker. He studied at the University of Santo Tomas and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Master's in Business Management degree in 2001 from the Asian Institute of Management and attended the International Student Exchange Program from University of Cologne in Germany.

Clarissa Teresita L. Asuncion, Filipino, 55, has been a Director and Treasurer of the Club since 17 July 2014. She is the President and Executive Director of Leonio Land Holdings, Inc. and its subsidiaries; She is the Vice Chairman and Treasurer of Leonio Group and Circle Corporate, Inc. She also sits as Board Director in LNL Resources Inc and LNL Archipelago Minerals Incorporated. She graduated with a degree in Business Administration from the University of the Philippines and finished her Master's degree in Management from Asian Institute of Management where she graduated with distinction.

Augusto D. Bengzon, Filipino, 60, has served as Director of the Club since its incorporation. He is currently the Senior Vice President, Chief Finance Officer, Chief Compliance Officer and Treasurer of ALI. His other significant positions include: Chairman of Aprisa Business Process Solutions Inc.; Director & Assistant Treasurer of Ayala Greenfield Development Corp.; Director and Treasurer of ALI Eton Property Development Corp., Amaia Land Corp., Aurora Properties Inc., Ayala Property Management Corp., Bellavita Land Corp., BGNorth Properties Inc., BGSouth Properties Inc., BGWest Properties Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc. and Vesta Property Holdings Inc.; Director of Alabang Commercial Corporation, ALINet.Com Inc., Alviera Country Club Inc., Ayala Land Commercial Reit Inc., Ecozone Power Management Inc., Laguna Technopark Inc., Makati Development Corp., Northgate Hotel Ventures, Inc., Nuevocentro, Inc., Southcrest Hotel Ventures, Inc. and AG Counselors Corporation; Treasurer of Avida Land Corp., Cebu Property Ventures and Development Corp. and Hero Foundation Inc. Prior to joining ALI, he was a Vice President and Credit Officer in Global Relationship Banking at Citibank N.A. where he spent sixteen years in various line management roles covering Treasury, Portfolio Management, Structuring, Debt Syndication and Relationship Management. He received his Bachelor of Science degree in Business Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted a full scholarship at the Asian Institute of Management where he received his Master's in Business Management degree.

Carlo Leonardo N. Leonio, Filipino, 52, has been a Director of the Club since 17 July 2014. He is the Vice Chairman and a Director of Petrolift Inc. & its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management Inc., Marinelift Shipyard and Repair Inc., and Equasis Logistics Incorporated. He is also the President and Director of Petrolift Holdings, Inc. and Director of Leonio Land Holdings, Inc., Leonio Group., LNL Archipelago Minerals Inc. and Circle Corporate Inc. He attended the Executive Master's Program in Asian Institute of Management.

Lawrence Conrad N. Leonio, Filipino, 54, has been a Director of the Club since 11 February 2015. He is the Chairman of Petrolift Inc. and its subsidiaries: Transoil Corporation, Seatrans Corporation, Oceanlink Tankers Incorporated, Marinelink Tankers Corporation, Translift Ship Management Inc. and Equasis Logistics Incorporated. He serves as CEO of Leonio Group and LNL Archipelago Minerals Inc. He is also a Director of Leonio Land Holdings, Inc.; and Circle Corporate Inc. He graduated with a degree of B.S. Management from De La Salle University. He also completed a Professional Shipping Course at the Norwegian Shipping Academy in Oslo, Norway and holds an MBA degree major in Entrepreneurship at Olin Graduate School of Business at Babson College Massachusetts, USA.

Jennylle S. Tupaz, Filipino, 50, has been a Director of the Club since 30 September 2021. She is currently the President of Ayala Land, Inc. where she previously held the positions of Sr. Division Manager from 2010 to 2013, and Assistant Vice President from 2013 to 2016. She is also affiliated with Serendra, Inc. (Director), Accendo Commercial Corp. (Director and EVP), CDO Gateway Corp. (Director and President), and Five Star Cinema, Inc. (Chairman & President). She also served as Presidents of Alveo Land Corp. and Ayala Land Malls, Inc. from 2017 to 2018 and from 2018 to 2020, respectively. She holds a Bachelor of Science in Statistics degree which she obtained from the University of the Philippines Diliman in 1994, and a Master of Business Degree which she obtained from the University of Chicago Booth School of Business in 2019.

Jose P. De Jesus, Filipino, 88, has been an Independent Director of the Club since 3 October 2017. He is the Chairman of Clark Development Corporation, Converge ICT Solutions, Inc., and Metroworks ICT Construction, Inc. He was the President and Chief Operating Officer of MERALCO (2009 to 2010); Secretary of the Department of Transportation and Communications from 2010 to 2011; President and Chief Executive Officer of the Manila North Tollways Corporation (2000 to 2008); Executive Vice President of the Philippine Long Distance Telephone Company from 1993 to 1999; and Secretary of the Department of Public Works and Highways (1990 to 1993). He is a director of Petron Corporation, Converge ICT Solutions, Inc., Comstech Integration Alliances, Inc., SMC Skyway Corporation, SMC TPLEX Corporation, and SMC SLEX, Inc.. He is a Trustee of the Holy Angel University, Kapampangan Development Foundation, and Automobile Association Philippines. Mr. de Jesus graduated with a degree in AB Economics and Master of Arts in Social Psychology from the Ateneo de Manila University (ADMU). He was *Lux in Domino* (Most Outstanding Alumnus) awardee of ADMU in July 2012. He finished Graduate Studies in Human Development from the University of Chicago.

Oscar S. Reyes, Filipino, 77, has been an Independent Director of the Club since 11 February 2015. He holds the following positions in publicly listed companies (PLCs): Director of Pepsi Cola Products Philippines, Inc.; Independent Director of Bank of the Philippine Islands, Manila Water Company, Inc., Basic Energy Corporation and Cosco Capital Inc. He was CEO, Director, and President of Manila Electric Company (Meralco), the Chairman of the Board of Redondo Peninsula Energy, Inc., Meralco Industrial Engineering Services, Inc., Meralco Energy, Inc., MRail, Inc., MSpectrum, Inc., Atimonan One Energy, Inc., CIS Bayad Center, Inc., and PacificLight Power Pte, Ltd. He is a Director of Meralco PowerGen Corporation, Republic Surety & Insurance Company Inc., Sun Life Financial Plans, Inc., Sun Life Prosperity Funds, Grepalife Mutual Funds., Petrolift Corporation, PLDT Communications and Energy Ventures, Inc., Eramen Minerals, Inc., Meralco Powergen Corporation, Clark Electric Development Corporation. He is a member of the Advisory Board of Philippine Long Distance Telephone Company and a member of board committees of various companies. He is a member of the Vice-Chairman and member of the Board of Trustees of One Meralco Foundation, Inc. and a member of the Board of Trustee of Pilipinas Shell Foundation, Inc., SGV Foundation, Inc. and El Nido Foundation, Inc. He is also a member of various professional organizations. He served as Country Chairman of the Shell Companies in the Philippines, President of Pilipinas Shell Petroleum Corporation and Managing Director of Shell Philippines Exploration B.V. He holds a Bachelor of Arts degree, cum laude, in Economics from the Ateneo de Manila University and finished post-graduate studies at the Ateneo Graduate School of Business Administration, Waterloo Lutheran University, Canada and the Harvard Business School, Boston, USA.

Jessie D. Cabaluna. Filipino, 66, has been an Independent Director of the Club since 31 March 2023. She has served as a Partner at SyCip Gorres Velayo & Co. ("SGV& Co.") from 1997 to 2017. She is the President of Stetchworth House Inc. and also serves as an Independent Director of AREIT, Inc., AllDay Marts, Inc., AllHome Corp., Anvaya Cove Beach and Nature Club, Inc. Ms. Cabaluna graduated with a degree in Bachelor of Science in Commerce, major in Accounting from University of St. La Salle in 1977. She also completed the Management Development Program from the Asian Institute of Management in 1988, and Advance Management Program from the Harvard Business School in 2012.

Regina F. Magbitang, Filipino, 51, has served as the Assistant Treasurer of the Club since 3 October 2017. She is the Treasurer of Petrolift, Inc., Leonio Land Holdings, Inc.; and LNL Archipelago Minerals, Inc. She is also the President of Corporate Circle Inc. She worked as an Auditor in Joaquin Cunanan/Price Waterhouse Coopers before joining the Leonio Group of Companies as Financial Analyst and assumed higher positions as Accounting Supervisor, Treasury Officer, Finance Manager, Assistant General Manager for Corporate Services, General Manager for Shipping, and General Manager for Shared Services and Comptroller. She graduated with a degree of BS Accountancy with magna cum laude honors at St. Scholastica's College and Masters in Business Administration at the Graduate School of De La Salle University.

Marian Melanie Barbara B. Eugenio-Triviño, Filipino, 37, has been the General Manager for Development of the Club since 31 March 2023. This is concurrent with her role as General Manager of Nuevocentro, Inc. ("NCI"). She is a Division Manager in Ayala Land, Inc. ("ALI") and has been with the company for more than 9 years where she handled several projects in Makati and Central Luzon. She holds a Bachelor of Science degree in Business Administration and a Master's Degree in Business Administration from the University of the Philippines Diliman.

Johann V. Ramirez, Filipino, 54, is the Club's current General Manager. He was previously connected with Globe Telecom Inc. as Retail Area Head for 15 years. Prior to this he was the Executive Assistant Manager of Taal Vista Hotel, Food & Beverage Operations Manager & Duty Manager of The Richmonde Hotel, Head Concierge for The Metropolitan Palace Hotel in UAE. He holds a Bachelor of Science Degree in Business Administration at the International Academy of Management & Economics.

Jenny Vie H. Julia, Filipino, 39, is the current Chief Audit Executive of the Club and is currently the Internal Audit Manager handling Residential Business Group (RBG) and Property Management (APMC) of Ayala Land, Inc. (ALI). She also served as the Internal Audit Manager for Estates and Corporate from 2017 to 2018. She is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and a member of the Institute of Internal Auditors Philippines (IIAP). She holds a Bachelor of Science in Accountancy degree from the Ateneo de Naga University and was awarded with Latin honor.

Ma. Divina Y. Lopez, Filipino, 51, is the current Comptroller, Chief Finance & Compliance Officer of the Club and has also served as the Vice President and Chief Finance Officer of Ayala Land Estates Group. She concurrently serves as Director and Treasurer of Altaraza Prime Realty Corporation, Alagang Ayala Land Foundation, Inc., Amorsedia Development Corporation, AyalaLand Estates, Inc., Buendia Landholdings, Inc., Crans Montana Property Holdings Corporation, Crimson Field Enterprises, Inc., HLC Development Corporation, and, Red Creek Properties, Incorporated. Prior to this, she was the Chief Audit

Executive of Ayala Land. She also served as President of Amicassa Process Solutions, Inc. and Chief Finance Officer of the Residential Business Group of ALI. She holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and placed 11th in the CPA Board Examinations in 1993. She obtained a Master of Science degree in Computational Finance from De La Salle University in 2002.

Anna Liza M. Ang-Co, Filipino, 54, is the current Corporate Secretary of the Corporation. She is a Senior Partner of Co Ferrer Ang-Co & Gonzales Law Offices, a full-service Philippine law firm specializing in corporate law, taxation, estate planning and settlement, corporate rehabilitation, and real estate transactions. She is also a Director, Rehabilitation Receiver, and Corporate Secretary of other Philippine corporations. She graduated with a degree of Bachelor of Science in Computer Science from the Ateneo de Manila University in 1990 and earned her Law degree from the University of the Philippines in 1994.

Reinerr John A. Nuestro, Filipino, 33, is the current Assistant Corporate Secretary of the Corporation. He is a Senior Associate of Co Ferrer Ang-Co & Gonzales Law Offices, a full-service Philippine law firm specializing in corporate law, taxation, estate planning and settlement, corporate rehabilitation, and real estate transactions. He obtained his Bachelor of Arts degree in Psychology at the University of the Philippines in 2010 and Juris Doctor degree from the same university in 2017.

Amelia Ann T. Alipao, Filipino, 60, is the current Data Protection Officer of the Corporation. She is also currently Vice President and Chief Information Officer of Ayala Land Inc. As CIO Annie, is responsible for strategic planning for the enterprise information technology and provide oversight on all the digital initiatives of the Ayala Land Group. She is also the Group Data Protection Officer for ALI Group of Companies and currently a member of the Data Privacy Council for Real Estate of the National Privacy Commission. She is also a member of the Board of APRISA Business Process Inc. She sits as a member of the ALI Corporate Bidding Committee, a role she previously occupied in 2009-2011 and acted as Chairperson of. In February 2020, she recently joined as HCX Technology Partners Inc., an Ayala company, Board of Director member. Before joining ALI, she took on dual roles in SAP Philippines as an Account Manager handling government accounts and as Project Manager for SAP Implementation. She also served as Assistant Vice President in Coca-Cola Bottlers Inc, where she managed various IT systems implementation and delivery. She also sits on the Board of Directors of KauSAP, a non-profit organization to strengthen the SAP user community in the Philippines through sharing of collective experiences of SAP users. Her IT career started as an IT Instructor II/Act of SGV. She holds a Bachelor of Arts in Biology and Bachelor of Science in Business Management from De La Salle University**.**

Hyacintha Mea G. Chim, Filipino, 34, is a nominee to the position of Comptroller, Chief Finance Officer, and Compliance Officer of the Club and is currently the Deputy CFO and Control and Analysis Head of Estates Group of Ayala Land, Inc. ("ALI"). She's been with ALI for 12 years, where she started her career in corporate accounting. She is a Certified Public Accountant ("CPA"). She holds a Bachelor of Science in Accountancy degree from the Pamantasan ng Lungsod ng Maynila.

Annex B-1

Certification of Qualification

Jose P. De Jesus

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **JOSE P. DE JESUS**, Filipino, of legal age and a resident of 30 Mangyan Road, La Vista, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of ALVIERA COUNTRY CLUB, INC. (the "Corporation") and have been its independent director since 3 October 2017.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations (GOCCs)):

COMPANY / ORGANIZATION	POSITION	PERIOD OF SERVICE
1. Board of Advisors, Bantayog ng mga Bayani Foundation	Member	April 2022 – present
2. Comstech Integration Alliances, Inc.	Director	December 2020 - present
3. Converge ICT Solutions, Inc.	Independent Director and Chairman	June 2020 - present
4. SMC Skyway Corporation	Director	20 June 2014 - present
5. Petron Corporation	Director	20 May 2014 - present
6. SMC TPLEX Corporation	Director	1 March 2013 - present
7. SMC SLEX, Inc.	Director	1 March 2013 - present
8. Holy Angel University	Trustee	8 August 2008 - present
9. Kapampangan Development Corporation	Trustee	1987 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ALVIERA COUNTRY CLUB, INC., as provided in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of ALVIERA COUNTRY CLUB, INC. and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceedings.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

7. I shall inform the Corporate Secretary of ALVIERA COUNRTY CLUB, INC. of any charges in the abovementioned information within five (5) days from its occurrence.

Done this AUG 18 2023 at QUEZON CITY, Philippines.

JOSE P. DE JESUS
Affiant

SUBSCRIBED AND SWORN TO before me this AUG 18 2023 at QUEZON CITY Philippines, affiant exhibited to me his Competent Evidence of Identity **(Unified Multi-Purpose ID) No. CRN-0003-0057075-1** issued on **2010** at **Social Security System Office, Diliman, Quezon City**.

Doc. No. 196
Page No. 40
Book No. LXIV
Series of 2023.

ACC_Certification (Jose P. De Jesus) 2023_v1(Reinen) [CFA Law/OneDrive]

ATTY. ELISEO S. [illegible]MA, JR.
Notary Public for Q.C. Until Dec. 31, 2024
Roll No. 50183
PTR No. [illegible] Jan. 03, 2023/Q.C.
IBP No. [illegible], Jan. 01, 2023
MCLE Comp. No. [illegible] [illegible]/2021-04/14/20[illegible]
Adm. Matter No. NP-[illegible](2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

Annex B-2

Certification of Qualification

Oscar S. Reyes

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **OSCAR S. REYES**, Filipino, of legal age and a resident of 58 Mckinley Road, Forbes Park, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of ALVIERA COUNTRY CLUB, INC. (the "Corporation") and have been its independent director since 11 February 2015.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations (GOCCs)):

COMPANY / ORGANIZATION	POSITION	PERIOD OF SERVICE
Bank of the Philippine Islands	Independent Director Member, Advisory Council	2013-2016 2016 – April 2023
Basic Energy Corporation	Independent Director Member, Advisory Board	2007-2019 2019 - present
Cosco Capital Inc.	Independent Director	2009 – June 2023
Pepsi Cola Products Philippines, Inc.	Chairman	2007 - present
PXP Energy Corporation	Director	2017 - present
DMWenceslao & Associates, Inc.	Independent Director	2019 - present
Link Edge, Inc.	Non-Executive Chairman	2002 - present
Grepalife Dollar Bond Fund Corporation	Independent Director	2011 - present
Grepalife Fixed Income Fund Corporation	Independent Director	2011 - present
Grepalife Balanced Fund Corporation	Independent Director	2011 - present
Sun Life Financial Plans Inc.	Independent Director	2006 - present
Sun Life of Canada Prosperity Balanced Fund Inc.	Independent Director	2018 - present
Sun Life of Canada Philippine Equity Fund, Inc.	Independent Director	2018 – present
Sun Life Prosperity Peso Voyager Feeder Fund	Independent Director	2022-present
Sun Life Prosperity Dynamic Fund	Independent Director	2012 – present
Sun Life Dollar Abundance Fund	Independent Director	2006 – present
Sun Life Dollar Advantage Fund	Independent Director	2002 – present
Sun Life Prosperity Achiever Fund 2028 Inc.	Independent Director	2018 - present
Sun Life Prosperity Achiever Fund 2038 Inc.	Independent Director	2018 - present
Sun Life Prosperity Achiever Fund 2048 Inc.	Independent Director	2018 - present
Sun Life Prosperity World Equity Index Feeder Fund Inc.	Independent Director	2018 - present
Sun Life Prosperity World Income Fund, Inc.	Independent Director	2022 – present
Sun Life GS Fund	Independent Director	2011 – present
Sun Life Prosperity Dollar Starter Fund Inc.	Independent Director	2021-present
Sun Life Prosp. Dollar Wellspring Fund Inc.	Independent Director	2022-present
Petrolift Inc.	Independent Director	2007 - present
Eramen Minerals Inc.	Independent Director	2004 - present
Pioneer Insurance & Surety Corporation	Member, Advisory Board Independent Director	Oct.2019 - May2020 June 2020 – present
Pioneer Life Inc.	Member, Advisory Board	2019 – present
Pioneer Intercontinental Insurance Corp.	Member, Advisory Board Independent Director	Oct.2019 - May2020 June 2020-present
Phil. Dealing System Holdings Corp.	Independent Director	2019 - present
Phil. Dealing Exchange Corporation	Independent Director	2019 - present
Phil. Depository & Trust Corporation	Independent Director	2019 - present
Phil. Securities Settlement Corporation	Independent Director	2019 - present
Team Energy Corporation	Independent Director	2019 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ALVIERA COUNTRY CLUB, INC., as provided in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of ALVIERA COUNTRY CLUB, INC. and its subsidiaries and affiliates.

5. Except for a Complaint lodged by Johnson Sanhi representing Repower Development Energy Corporation, which I and my counsels believe to be a highly baseless and false Complaint, I am not the subject of any pending criminal or administrative investigation or proceedings.

6. I am not in government service nor am I affiliated with a government agency or GOCC.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of ALVIERA COUNRTY CLUB, INC. of any charges in the abovementioned information within five (5) days from its occurrence.

Done this AUG 18 2023 at QUEZON CITY, Philippines.

OSCAR S. REYES
Affiant

SUBSCRIBED AND SWORN TO before me this AUG 18 2023 at QUEZON CITY Philippines, affiant exhibited to me his Competent Evidence of Identity **Senior Citizen's ID No. 10811** issued on **21 June 2006** by the **Office for Senior Citizens' Affair ("OSCA"), City of Makati**.

Doc. No. 107
Page No. 40
Book No. LXIV
Series of 2023.

ATTY. ELISEO S. ... LMA, JR.
Notary Public for Q.C./Until Dec. 31, 2024
Roll No. 50183
PTR No. 4007... /Jan. 03, 2023/Q.C.
IBP No. 267... Jan. 01, 2023
MCLE Comp. No. VII-... 21/2021-04/14/2025)
Adm. Matter No. NP-002(2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

ACC_Certification (Oscar S. Reyes) 2023_v1(reinerr)(CFA Law/OneDrive)

Annex B-3

Certification of Qualification

Jessie D. Cabaluna

CERTIFICATION OF QUALIFICATION INDEPENDENT DIRECTOR

I, **JESSIE D. CABALUNA**, Filipino, of legal age and a resident of 87 Molave Ave., Molave Park, Merville, Parañaque City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of ALVIERA COUNTRY CLUB, INC. (the "Corporation") and have been its independent director since 31 March 2023.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations (GOCCs)):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
AREIT, Inc.	Independent Director	03 December 2021 – present
AllDay Marts, Inc.	Independent Director	05 August 2021 – present
AllHome Corp.	Independent Director	08 July 2019 – present
Anvaya Cove Beach and Nature Club, Inc,	Independent Director	30 July 2021 – present
SyCip Gorres Velayo & Co. ("SGV & Co.")	Assurance Partner Partner-in-Charge of SGV Bacolod Office Employee	1997-2017 1997-2015 1978-1997
Stetchworth House Inc.	President	18 September 2019 – present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of ALVIERA COUNTRY CLUB, INC., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of ALVIERA COUNTRY CLUB, INC. and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of ALVIERA COUNTRY CLUB, INC., of any changes in the abovementioned information within five (5) days from its occurrence.

AUG 18 2023 QUEZON CITY

Done, this ______ day of ________, at ____________.

JESSIE D. CABALUNA
Affiant

AUG 18 2023 QUEZON CITY

SUBSCRIBED AND SWORN to before me this ____ day of ________ at __________, affiant personally appeared before me and exhibited to me her Republic of the Philippines Passport

No. P3937505B issued at DFA-Bacolod, issued on 22 November 2019, expiring on 21 November 2029.

Doc. No. 105;
Page No. 29;
Book No. LXVI;
Series of 2023;

ATTY. ELISEO S. CALMA, JR.
Notary Public for Q.C. /Until Dec. 31, 2024
Roll No. 50183
PTR No. 4007172D/Jan. 03, 2023/Q.C.
IBP No. [illegible] Jan. 01, 2023
MCLE Comp. No. VII-[illegible]21/2021-04/14/2025)
Adm. Matter No. NP-062(2022-2023)
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.
TIN: 138-541-197-000

Annex B-4
Stock Certificate
Jessie D. Cabaluna

FILIPINO 0300000002 / 103

ALVIERA
COUNTRY CLUB

NUMBER
A-00023

SHARES
01

This Certifies that ***JESSIE DY CABALUNA***

is the owner of ***One***

Class A Share(s) of the Capital Stock of Alviera Country Club, Inc. transferable only in the books of the Corporation by the holder hereof in person or by attorney upon surrender of this Certificate properly endorsed or as otherwise provided in the Articles of Incorporation and By-laws of the Corporation.

02/28/2023

AUTHORIZED SIGNATURE

ANNA LIZA M. ANG-CO
Corporate Secretary

ROBERT S. LAO
President

Annex C

Financial Information
(with Management's Discussion and Analysis)

ANNEX C

FINANCIAL INFORMATION

PART I

Overview

The Club was organized as a stock, non-profit corporation and was duly registered with the Securities and Exchange Commission ("SEC") on 9 July 2014. The Club has no predecessors. To date, the Club has no subsidiaries. Commercial operations of the Club commenced on 28 March 2019.

The Club is not involved in any bankruptcy, receivership or similar proceedings. Neither is the Club involved in any material reclassification, merger consolidation or purchase or sale of significant amount of assets not in the ordinary course of business.

Item 1. Financial Statements

Please refer to the attached financial statements as of 31 December 2022, and 30 June 2023.

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

Plan of Operation

The Club commenced its commercial operations on 28 March 2019 and had its official Grand Launch on 31 July 2019. Members are obliged to pay monthly dues, fees and assessments as determined by the Board of Directors. Any increase in dues will be reported to the SEC within thirty (30) days from the approval of the Board of Directors. The Members will be notified of such increase. Notices on the dues will also be posted on bulletin boards located in conspicuous areas for the benefit of secondary markets. Current monthly dues are discussed on Item 21 of E. Other Matters.

Revenues are mainly derived from monthly dues and fees, and from the sale of food and beverages. Since the Club operates on a non-profit basis, no part of its net income will inure to the benefit of its shareholders. Assessments, fees and dues collected from Members shall be for the sole purpose of meeting the operational and maintenance expenses of the Club.

The business and operations of the Club evolved following the onset of the Coronavirus Disease 2019 ("COVID-19") pandemic in 2020 and the implementation of various kinds of quarantine across the country, including the province of Pampanga. When the Club partially re-opened on 8 July 2020, it had to adjust its operations to optimize resources and expense control and revise revenue projection.

When the Club resumed its operations during the pandemic, it established and implemented stringent COVID-19 prevention protocols for the members and their guests and employees as well. The following protocols were implemented by the Club at the height of the pandemic:

1. Members' online registration and check out
2. Thermal body scanning
3. Mandatory facemasks for guests
4. Hand sanitizer made available in all areas
5. Social and table/seating distancing
6. Directional and reminder signages to remind members and guests of the protocols
7. Employees are required to wear facemasks and face shields

At present, the health protocols have been relaxed and the wearing of facemasks is now voluntary for the Club members, their guests, and employees as well.

With the relaxation of the alert level guidelines and the subsequent issuance of Proclamation No. 297 by Malacañang Palace on 21 July 2023 which lifted the state of Public Health Emergency throughout the Philippines, the Club is now fully operational with the following operational modifications currently being implemented:

- Club operations is from 6:00 am until 8:00 pm
- The Club's Galo Bar (closed during the previous year) is now open with operations from 12:00 pm until 8:00 pm. The Bar is also open for reservations for small, private events
- The Club's Spa, closed during the previous year, is now open from Thursday to Sunday from 12:00 pm to 7:00 pm
- The KTV, movie room, and game room are now open from 9:00 am to 8:00 pm
- The Club's gym is now open from 6:00 am to 8:00 pm
- Banquet events and functions are now allowed for the Tala Ballroom, Social Hall, and Tipunan Meeting rooms and the Private Dining Room for small intimate events
- The Sports Pro Shop is open from 6:00 am to 5:00 pm for sports, swimming attire, pool toys and other souvenir items
- Villa houses in the Avida Settings for rent for overnight or long-term stay are available
- Non-group contact sports are allowed, such as tennis and badminton, as well as group contact sports such as basketball and volleyball, with qualified instructors or facilitators for private lessons or group sessions

The Club's management is alert and ready to adjust or modify the foregoing plan of operations in the event of any emergency declaration by the government.

Cash Requirement

While on its early operational stage, funding requirements of the Club will be sourced through revenue generating activities (dues and fees from members and food and beverage), and advances from Nuevocentro, Inc., if deemed necessary.

Capital Expenditure

The Club currently has no plans of conducting any product research and development. It is expected to purchase equipment to be used in the operations.

Manpower Resource

The Club currently has in its employ 13 full-time employees and 73 contractual workers to handle the Club's operations since its re-opening on 8 July 2020 in light of the COVID-19 pandemic.

Management's Discussion and Analysis

Financial Condition

The Club has not availed of any long-term debt financing from its related parties or external sources. Accordingly, the Club has no existing contingencies, material commitments for capital expenditures, guarantees and other off-balance sheet transactions as of the date of the report.

Pre-operating financial support was provided by NCI to the Club. Operating requirements of the Club will be sourced from revenue generating activities and advances from NCI, if deemed necessary.

There are no known trends, events, seasonal aspects or uncertainties which are reasonably expected to have a material impact on the Club's revenues, income and liquidity during its pre-operating stage. All items presented on profit or loss were incurred as part of the Club's pre-operations and operations. Losses from operations are expected to be incurred until the Club reaches its breakeven for commercial operations. Incurrence of loss is monitored regularly to ensure that it will not materially impact the Club's financial capacity.

Liquidity Risk

Liquidity risk is defined by the Club as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Club that make it difficult for the Club to raise the necessary funds or that forces the Club to raise funds at significantly higher interest rates than usual.

The Club manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Club maintains a level of cash deemed sufficient to finance its operations. As part of its liquidity risk management, the Club regularly evaluates its projected and actual cash flows.

As of 30 June 2023, the Club's financial liabilities have a maturity of less than one year, except for those considered to be due and demandable.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The investment of the Club's cash resources is managed so as to minimize risk while seeking to enhance yield. The Club's holding of cash in bank exposes the Club to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Club consequently suffers financial loss. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing.

Bank limits are established on the basis of liquidity, capital adequacy and financial stability. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

Trade receivable generally pertains to membership dues and club charges. The Club bills and collects from members on a monthly basis. It is the Club's policy to impose surcharge fees on members for any delinquency in payment. Once an account is tagged as delinquent, appropriate actions are taken by the Club such as prohibition of the use of Club's facilities and services. The Club assesses long-outstanding member's receivable account periodically as to future collectability. Club shares of members with long-outstanding balances are placed to public auction for bidding at the management's own terms and minimum pricing to ensure that outstanding balances are delinquent members are recovered.

The Club's maximum exposure to credit risk is equal to the carrying value of its financial assets. These financial assets are considered as high grade and are classified as neither past due nor impaired. The rating is based on the nature of the counterparty.

A. <u>Review of operations 2Q 2023 vs 2Q 2022</u>

The Club incurred a net loss after tax of ₱21.92 million in the second quarter of 2023, with a 17% decrease compared to the ₱26.31 million net losses during the second quarter of 2022. The decrease is mainly driven by the effort of the management to maximize the profitability of each outlet and amenities.

As of 30 June 2023, the Club's accounts and other payables are due within one year.

Business segment

The Club serves its members through its amenities. Food and Banquet, memberships and other amenities related to leisure are being offered. The Club commenced its commercial operations on 28 March 2019.

Expenses

Total expenses amounted to ₱34.67 million during the second quarter of 2023, 33% higher than the ₱ 37.25 million posted for the same period last year.

Project and Capital Expenditure

The Club spent a total of ₱860.71 million for project and capital expenditures of the Club since its inception. All of the capital expenditures were spent on construction and fit-out of the Country Club.

Financial Condition

Cash stood at ₱7.55 million, resulting in a Current Ratio of 0.11:1. The Club's funds were sourced from revenue generating activities and advances from NCI to support the Club's operating requirements. As of June 30, 2023, advances provided by the Parent Company amounted to ₱128.02 million.

Causes of any material changes (+/- 5% or more) in the financial statements

<u>Income Statement items</u> – 30 June 2023 versus 30 June 2022

33% increase in Revenue
Material changes in the income statement are mainly attributable to the Club's adaptation of new protocols and practice during the pandemic. During 2023, the Club focused its revenue generation from its specialty restaurants, private dining, and major events and start to offer the big events and banquet which significantly increase as compare to same period in 2022 reason for the 30% increase in sale of goods. Service income generated from sports and recreation significantly increased by 41% due to the lesser limitations set by the Club for its facilities in connection with the changes in the IATF protocol. Additional revenues were also derived from the rental of villa starting last quarter of 2022. The foot traffic in 2023 from January to June has increased by 24% as compared to the same period in 2022.

7% net increase in Total Expenses
This resulted to the material increase in salaries and employee benefits in 2023 in which full manpower complement was place as a way of coping up with the increase in foot traffic. Due to various economic circumstances that is happening around the world, prices on the various raw materials went up which has affected club's expenditures for the first half of 2023: Repairs and maintenance has increased by 669% mostly from increase on vehicle maintenance cost; Representation has increased by 96%, as result of fuel price hike in the previous months; Taxes and licenses also increased by 13% due to higher business taxes for 2023; Operating supplies slightly declined by 13% as expenses were advanced in Q1 of 2023; Postal & communication decreased by 79% due to one discontinued account from Innove,

internet provider, in 2023; and decrease in marketing expenses of 33% driven by lower spending for direct marketing and ads.

<u>Balance Sheet items</u> – 30 June 2023 versus 31 December 2022

130% increase in Cash
Significant cash collections were resulted during the first half of operations and additional advances from parent company to support club's operation.

8% Increase in Accounts and Other Receivables
Accounts and other receivables pertain to the remaining uncollected charge sales for the period. These are collectible and billed to members within one month from consumption and usage. The continuous increase in the no. of activated members, from 561 members as of the end of 2022 to 583 members, caused the increase in accounts receivable.

32% Increase in Inventories
Inventories includes food and beverages items and supplies consumed in the production process of food and beverages in the Club's restaurant and cafes. With the increase in foot traffic and in anticipation of additional operating activities club maintains a much higher inventory at the end of the first half of 2023.

14% increase in Accounts and Other Payables
Additional advances received from the Parent Company amounting to ₱15.0 million during the six-month period ended June 30, 2023 contributed to the material increase in Accounts and Other Payables.

28% decrease in Retention Payables
Payment to contractors amounting to ₱2.0 million for landscape, drainage and irrigation works.

B. <u>Review of operations 1Q 2023 vs 1Q 2022</u>

The Club incurred a net loss after tax of ₱10.02 million in the first quarter of 2023, with a 130% increase from ₱4.36 million net losses during the first quarter of 2022. The significant increase is mainly driven by the commencement of Club's commercial operations.

As of March 31, 2023, the Club's accounts and other payables are due within one year.

Business segment

The Club served its members through its amenities. Food and Banquet, memberships and other amenities related to leisure are being offered. The Club commenced its commercial operations on 28 March 2019.

Expenses

Total expenses amounted to ₱13.86 million during the first quarter of 2023, 33% higher than the ₱ 10.43 million posted in the same period last year.

Project and Capital Expenditure

The Club spent a total of ₱816.29 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club.

Financial Condition

Cash stood at ₱5.31 million, resulting in a Current Ratio of 0.10:1. The Club's funds were sourced from revenue generating activities and advances from NCI to support the Club's operating requirements. As of March 31, 2023, advances provided by the Parent Company amounted to ₱114.57 million.

Causes of any material changes (+/- 5% or more) in the financial statements

<u>Income Statement items</u> – 31 March 2023 versus 31 March 2022

Income Statement items – March 31, 2022 versus March 31, 2021

33% increase in Revenue
Material changes in the income statement are mainly attributable to the Club's adaptation of new protocols and practice during the pandemic. During 2023, the Club focused its revenue generation from its specialty restaurants, private dining, and major events and start to offer the big events and banquet which significantly increase as compare to same period in 2022 reason for the 34% increase in sale of goods. Service income generated from sports and recreation significantly increased by 53% due to the lesser limitations set by the Club for its facilities in connection with the changes in the IATF protocol. Additional revenue were also derived from the rental of villa starting last quarter of 2022. The foot traffic in 2023 from January to March has increased by 33% as compared to the same period in 2022.

33% increase in Total Expenses
This resulted to the material increase in salaries and employee benefits in 2023 in which full manpower complement was place as a way of coping up with the increase in foot traffic. Due to various economic circumstances that is happening around the world, prices on the various raw materials went up which has affected club's expenditures for the first quarter of 2023: Operating supplies has increased by 442%; Utilities has increased by 138%, added also on the increase of consumption due to the increase of foot traffic and increase in per kilowatt hour of electricity and increase of 183% in Transportation expenses as result of fuel price hike in the previous months.

<u>Balance Sheet items</u> – 31 March 2022 versus 31 December 2021

62% increase in Cash
Significant cash collections were resulted during the first months of operations and opening of additional bank account under Security Bank for the disbursements.

5% Increase in Accounts and Other Receivables
Accounts and other receivables pertain to the remaining uncollected charge sales for the period. These are collectible and billed to members within one month from consumption and usage. The continuous increase in the no. of activated members, from 504 members as of the end of Q1 2022 to 570 members, caused the increase in accounts receivable.

30% Increase in Inventories
Inventories includes food and beverages items and supplies consumed in the production process of food and beverages in the Club's restaurant and cafes. With the increase in foot traffic and in anticipation of additional operating activities club maintains a much higher inventory at the end of the first quarter of 2023.

20% decrease in Other current Assets
Other current assets include creditable withholding tax, prepaid expense and deferred input vat. Decrease is mainly due to reclass of deferred input vat to input vat for the first quarter of 2023.

6% increase in Accounts and Other Payables

Additional advances received from the Parent Company amounting to ₱5 million during the three-month period ended March 31, 2023 contributed to the material increase in Accounts and Other Payables.

C. <u>Review of operations 2022 v. 2021</u>

The Club incurred a net loss after tax of ₱50.65 million for the year 2022, 30% higher than the reported net loss after tax of ₱39.02 million in 2021.

Revenue
The club generated revenue amounted to ₱38.45 million, 32% higher than the revenue realized on 2021 amounting to P29.18 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2022 amounted to ₱89.10 million, 31% higher than the ₱68.19 million expenses incurred in 2021. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱818.42 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club. For 2022, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to P 5.79 million.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱138.64 million and ₱109.09 million as of December 31, 2022 and 2021, respectively, breakdown of which are provided in Notes 8 and 11 of the financial statements, as attached.

Income Statement items – 2022 versus 2021

32% increase in Revenues and 60% increase in Cost of Sales
Material changes in the income statement is mainly attributable with 13% increase in number of members from 495 in 2021 to 561 in 2022 and foot traffic increase of 95% from 24,489 in 2021 to 30,154 in 2022.

Revenues were generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Villa rentals
- Membership dues

The corresponding increase in revenues, particularly with the F&B and Banquet at 12%, and villa rentals has caused the increase in cost of sales.

22% decrease in interest income
Interest income decreased is due to decrease in average cash balance on bank deposits, mainly due to sudden change in operations as result of the lowering of restriction due to pandemic and opening of another Bank Account under Security Bank for the check cutting facility.

33% decrease in other income

Other income from 2021 is higher than 2022 due to settlement of various intercompany transactions particularly with Ayala Land Inc and Anvaya Cove.

12% increase in Direct Operating Expenses
The following expenses mainly attributed to the increase:

- *38% increase in Marketing*
  The increase in marketing expenses resulted from the Club's intensified marketing activities conducted post pandemic.

- *93% increase in Utilities*
  As the Club's facilities were operated and maintained for the full year 2022, semi-fixed expenses incurred for electricity and water utilities also increased. ₱0.91 million increment was noted for 2022.

- *402% increase in Repairs and Maintenance*
  The Club put up an effort to maintain the Club's equipment and vehicle under internal repairs and maintenance, ₱0.86 million increment was noted for 2022.

- *32% decrease in Representation expense*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *78% increase in Travel & Transportation*
  Increase is correlated to the intensified marketing activities conducted post pandemic.

- *70% increase in Other Expenses*
  Proper allocation of expenditures to the proper account resulted to increase in other expenses account.

The following are the significant variance on general administrative expenses:

- *40% increase in Professional Fees*
  This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2022 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.

- *38% decrease in Taxes and Licenses*
  This consist of payment of Business Permits as well as the payment of Real Property Taxes for the year 2022. The decrease in business tax is aligned with the increase/recognition of revenue in 2021 as the assessor's basis for the Club's tax in 2022.

- *35% decrease in supplies and other supplies*
  With the effect of pandemic in the operation of the club, priority for the expenses were align on all that is necessary to the operation of the Club.

- *17% increase in other finance charge*
  This consist mainly of bank charges for the online transfer of payments to suppliers and contractors, with the opening of the check cutting facility such charges were also decrease.

- *22% decrease in Provision for Final Tax*
  This consist mainly of final tax on interest income from bank accounts.

Balance Sheet items – 2022 versus 2021

57% decrease in cash
Significant cash disbursements were made in 2022 for operating activities.

7% decrease in accounts receivable
Decrease in accounts receivable is due to Club's effort to collect long outstanding accounts from members.

31% decrease in inventory
The Club's inventory mainly attributed to the F&B suppliers, with the increase in foot traffic inventory also significantly decreases.

1319% increase in Other Current Assets
The increase is due to recognition of prepaid real property tax for 2023 paid in 2022.

27% increase in accrued and other payables
The significant increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

35% increase in deficit
Increase is due to additional operating expenses incurred during the commencement of operation on 2022 as discussed in "Income Statement items – 2022 versus 2021"

D. <u>Review of operations 2021 v. 2020</u>

The Club incurred a net loss after tax of ₱39.10 million for the year 2021, 18% lower than the reported net loss after tax of ₱47.97 million in 2020.

Revenue
The Club generated revenue amounted to ₱29.18 million, 36% higher than the revenue realized on 2020 amounting to P21.38 million, which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2021 amounted to ₱68.19 million, 2% lower than the ₱69.34 million expenses incurred in 2020. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱816.29 million for its project and capital expenditures since inception. All of the capital expenditures were spent on construction and fit-out of the Club. For 2021, the Club purchased Kitchen, Facilities & Maintenance and F&B equipment's used in the operations amounting to P 1.63 million.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱109.96 million and ₱85.30 million as of December 31, 2021 and 2020, respectively, breakdown of which are provided in Notes 8 and 11 of the financial statements, as attached.

Income Statement items – 2021 versus 2020

36% increase in Revenues and 1% increase in Cost of Sales
Material changes in the income statement is mainly attributable with 16% increase in the number of members from 427 in 2020 to 495 in 2021 and 95% increase in foot traffic from 12,587 in 2020 to 24,489 in 2021.

Revenues were generated from the following outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Membership dues

The corresponding increase in revenues, particularly with the F&B and Banquet at 36%, caused the increase in cost of sales.

26% increase in interest income
Interest income increased due to the increase in average cash balance on bank deposits, mainly due to sudden increase in operations and revenues as result of the lifting of restrictions to curb the spread of the covid 19 virus and the opening of another Bank Account under Security Bank for the check cutting facility.

100% increase in other income
Other income increased due to settlement of various intercompany transactions particularly with Ayala Land Inc and Anvaya Cove.

24% decrease in Direct Operating Expenses

The following expenses mainly attributed to the decrease in Direct Operating Expenses:

- *55% increase in Contracted Services*
  To address the limitations imposed by the community quarantine protocols which resulted in the temporary disruption of operations in 2021, operation manpower complement was reduced to key operating functions only.

- *13% decrease in Utilities*
  As the Club's facilities were operated and maintained for the full year 2021, management minimized utility expenses, particularly electricity and water.

- *52% decrease in Travel & Transportation*
  Travel expenses were reduced by consolidating travel on a per week basis and precluding unnecessary travel.

- *24% decrease in Repairs and Maintenance*
  The Club utilized its in-house personal for the repairs and maintenance of its equipment and vehicle, thus minimizing outsourcing expenses.

- *67% decrease in Marketing*
  With the effect of pandemic in the operation of the Club, priority for the expenses were aligned with only what are necessary for the operation of the Club.

- *60% decrease in Other Expenses*
  Proper allocation of expenditures with the proper account resulted in a decrease in other expenses account.

The following are the significant variance in general administrative expenses:

- *52% increase in Professional Fees*
  This consists of Monthly Retainer fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2021 Annual

Stockholders' Meeting was incurred and the yearly increase in the Club's audit fee attributed to the increase in this expense.

- *8% increase in Taxes and Licenses*
  This consists of payment of Business Permits as well as the payment of Real Property Taxes for the year 2021. The increase in business tax is aligned with the increase/recognition of revenue in 2020 as the assessor's basis for the Club's tax in 2021.

- *121% increase in office supplies*
  This consists of office supplies needed by the Club for its operation, as the stocks for the years 2019 and 2020 were already exhausted.

- *72% decrease in other finance charge*
  This consists mainly of bank charges for the online transfer of payments to suppliers and contractors, which decreased with the opening of the check cutting facility.

- *3893% increase in Provision for Income Tax*
  The increased 2021 gross profit generated by the Club for the year was subjected to 2% Minimum Corporate Income Tax (MCIT).

Balance Sheet items – 2021 versus 2020

25% increase in cash
Opening and maintenance of additional Bank Account under Security Bank resulted in the increase in cash.

19% increase in accounts receivable
The increase in membership from 424 in 2020 to 495 in 2021 resulted in the increase in accounts receivable.

46% decrease in inventory
The Club's inventory consists mainly of its F&B supplies. With the increase in foot traffic, consumption of the supplies increased, thus, the inventory also significantly decreased.

24% increase in Other Current Assets
The increase is due to the Adjusting entries made for 2021 for the OCA Creditable Withholding Tax.

29% increase in accrued and other payables
The significant increase pertains to the advance made by NCI to the Club and to MDC for the construction of Club facilities.

36% increase in deficit
Increase is due to additional operating expenses incurred during the commencement of operations in 2021 as discussed in "Income Statement items – 2021 versus 2020"

E. <u>Review of operations 2020 vs. 2019</u>

The Club incurred a net loss after tax of ₱47.97 million for the year 2020, 11% higher than the reported net loss after tax of ₱43.11 million in 2019. The significant increase is mainly driven by the commencement of the Club's commercial operations.

Revenue

As the Club started it normal commercial operations, it generated revenue amounted to ₱12.23 million which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2020 amounted to ₱69.34 million, 24% higher than the ₱55.85 million expenses incurred in 2019. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱816.29 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱85.24 million and ₱59.84 million as of 31 December 2020 and 2019, respectively, breakdown of which are provided in Notes 9 and 12 of the financial statements, as attached.

<u>Income Statement items</u> – 2020 versus 2019

66% increase in Revenue and 104% increase in Cost of Sales
Material changes in the income statement is mainly attributable with 21% increase in number of members from 353 in 2019 to 427 in 2020 and foot traffic increase of 49% from 8,472 in 2019 to 12,587 in 2020. Revenue was generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Membership dues

94% decrease in interest income
Interest income decreased significantly due to lower average cash balance on bank deposits, mainly due to sudden change in operations as result of thepandemic.

21% increase in Direct Operating Expenses

The following expenses mainly attributed to the increase:

126% increase in Depreciation
Depreciation for the Club's building was recognized for the full year in 2D2O in comparison with the 6-month depreciation in 2019 when the building was fully constructed. Yearly depreciation recognized on a straight-line basis amounted to P20.41 million. Full year depreciation of the Club's other furniture and fixtures also contributed in the increase by P1.27 million.

19% increase in Utilities
As the Club's facilities were operated and maintained for the full year 2020, semi-fixed expenses incurred for electricity and water utilities also increased. P1.20 million increment was noted for 2020.

14% decrease in Contracted Services and Manpower Complement
To cope up with the limitations imposed by the community quarantine protocols which resulted to temporary disruption of operations in 2020, operation manpower complement was reduced to key operating functions only.

60% decrease in Supplies
The Club put up an effort to maintain the procurement of supplies at a minimum level to limit wastage during the temporary disruption of operations.

14% increase in General and Administrative Expense

25% increase in Salaries and Employee Benefits
The increase is due to the completion of intended employee headcount in 2020 to give support with the increase in number of membership and foot traffic.

53% increase in Professional Fees
This consist of Monthly Retainers fee paid to the Club's legal counsel, including the payment for the preparation of legal documents. One-off legal fee billing for the 2020 Annual Stockholders' Meeting was incurred resulting to the increase in addition to the yearly increase in the Club's audit fee.

45% increase in Taxes and Licenses
This consist of payment of Business Permits as well as the payment of Real Property Taxes for the year 2020. The increase in business tax is aligned with the increase/recognition of revenue in 2019 as the assessor's basis for the Club's tax in 2020.

95% decrease in Provision for Income Tax
Gross profit generated by the Club far the year was subjected to 2°4 Minimum Corporate Income Tax (MCIT). In 2020, the Club set-up a cost allocation mechanism of its operating expenses (e.g. utilities) in order to appropriately track those directly atb1butable to its operations. This allocation resulted to the decrease in provisioning for MCIT.

<u>Balance Sheet items</u> – 2019 versus 2018

75% decrease in cash
Significant cash disbursements were made in 2020 for operating activities and limited collections due to the quarantine period during the pandemic.

74% increase *in* Other *Current Assets*
The increase is due to the Adjusting entries made for 2019 for the OCA Creditable Withholding Tax.

88% increase in accrued and other payables
The significant increase pertains to payment by NCI as advances made to the Club and to MDC for the construction of Club facilities.

81% increase *in deficit*
Increase is due to additional operating expenses incurred during the commencement of operation on 202D as discussed in "Income Statement items - 2020 versus 2019"

F. <u>Review of operations 2019 vs. 2018</u>

The Club incurred a net loss after tax of ₱43.12 million for the year 2019, 982% higher than the reported net loss after tax of ₱3.98 million in 2018. The significant increase is mainly driven by the commencement of the Club's commercial operations.

Revenue
As the Club started it normal commercial operations, it generated revenue amounted to ₱12.86 million which mainly pertains to monthly dues, sale of food and beverage and usage of sports facilities and equipment.

Expenses
Total expenses in 2019 amounted to ₱53.14 million, 1213% higher than the ₱4.05 million expenses incurred in 2018. Details of movements in expenses are discussed below under "Material changes in the Financial Statements".

Capital Expenditure
The Club spent a total of ₱816.29 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club.

Accrued expenses and other payables
Accrued expenses and other payables amounted to ₱59.84 million and ₱520.14 million as of 31 December 2019 and 2018, respectively, breakdown of which are provided in Notes 9 and 12 of the financial statements, as attached.

<u>Income Statement items</u> – 2019 versus 2018

100% increase in Gross Profit and 950% increase in other expenses
Material changes in the income statement is mainly attributable to the commencement of commercial operations. Gross profit was generated from the ff. outlets:

- Specialty restaurant and café
- Events/banquets
- Sports facilities and courts
- Leisure and recreational facilities (spa, game rooms, theater)
- Membership dues

Other expenses incurred in the normal commercial operations of the Club refers to employee meals, rentals, postal and communication expenses.

258% increase in interest income
Interest income increased significantly due to higher average cash balance on bank deposits. Collection of subscription receivable from NCI resulted to a higher available cash in bank balance.

100% increase in Salaries and Employee Benefits
Prior to the commencement of commercial operations, general and administrative functions were provided by NCI at no cost to the Club. The Club only employed its own manpower in March 2019. This resulted to the material increase in salaries and employee benefits in 2019 in which full manpower complement was in place.

89% decrease in taxes and licenses
Decrease in taxes and licenses is mainly due to documentary stamp taxes paid in 2018 from the conversion of NCI's advances to equity.

43% decrease in professional fees
Aside from audit services rendered to the Club for 2019 and 2018, legal fees were incurred from services rendered by an external legal counsel to the Club in 2019.

100% decrease in marketing expenses
Marketing expenses decreased significantly in 2019 due to the performance of the Club's events along with NCI's marketing activities for a more cost-efficient marketing strategy.

695% increase in Provision for Income Tax
Gross profit generated by the Club for the year was subjected to 2% Minimum Corporate Income Tax (MCIT). Provision for 2018 only refers to final tax on interest income earned.

100% increase in Other Income Statement accounts
Increase in other income statement accounts in 2019 is due to the commencement of commercial operations.

<u>Balance Sheet items</u> – 2019 versus 2018

93% decrease in cash
Significant cash disbursements were made in 2019 for operating activities.

414% increase in Accounts and Other Receivables
Increase in accounts and other receivables pertains to the remaining uncollected charge sales for the period. These are collectible and billed to members within one month from consumption and usage.

100% increase in inventories
With the commencement of operations, inventories were purchased in 2019 to accommodate the operations of the Club's restaurant and café.

100% increase in property and equipment
With the commencement of operations, the Club purchased various furniture and fixtures, service equipment and office equipment. The Club capitalized construction cost and development cost amounted to ₱816.29 million in 2019 were reclassified as property and equipment upon commencement of the normal operation.

40% increase in input value-added-taxes
Increase in input value-added taxes is related to continuous incurrence of development costs and purchases of equipment, supplies and materials used for the Club's operations.

87% decrease in advances to contractors
The decrease pertains to the recouped portion of the Club's down payment for every progress billing received in 2019.

88% decrease in accrued and other payables
The significant decrease pertains to payment to NCI for its advances made to the Club and to MDC for the construction of Club facilities.

65% decrease in retention payable
decrease in retention payable is directly attributable to the completion of the Club's construction in progress.

97% increase in capital stock
Increase in capital stock pertains to the full collection of subscription receivable from NCI amounting to ₱470.06 million.

265% increase in deficit
Increase is due to additional operating expenses incurred during the commencement of operation on 2019 as discussed in "Income Statement items – 2019 versus 2018"

Key Financial Performance Indicators

The table below sets forth the comparative performance indicators of the Club:

	June 30, 2023	March 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Current ratio[1]	0.11:1	0.10:1	0.09:1	0.16:1	0.18:1	2.11:1
Debt to Equity ratio[2]	0.22:1	0.21:1	0.19:1	0.14:1	0.11:1	0.08:1
Asset to Equity ratio[3]	1.22:1	1.21:1	1.19:1	1.14:1	1.11:1	1.08:1
Return on Assets[4]	(2.43%)	(1.11%)	(5.60%)	(4.22%)	(5.08%)	(4.46%)
Return on Equity[5]	(2.97%)	(1.34%)	(6.67%)	(4.83%)	(5.65%)	(4.80%)

[1] *Current assets / current liabilities*
[2] *Total debt / Total stockholders' equity*
[3] *Total assets/ Total stockholders' equity*
[4] *Net loss/ Total assets*
[5] *Net loss/ Total stockholders' equity*

Ratios for Solvency and Interest Coverage are not applicable to the Club since it has no outstanding debt and interest expense as of the and for the periods disclosed above.

The Management of the Club is not aware of any material events/and uncertainties that would address the past and would have impact on future operations of the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact of the Club's liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with other entities/persons created during the reporting period;
4. Any trends, demands, commitments, events or uncertainties that will have a material impact of the Club's revenue generation and sales;
5. Any significant elements of income or loss that did not arise from the Club's continuing operations; and
6. Any seasonal aspects that had a material effect on the Club's financials.

PART II – MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

(a) Market Information

Nuevocentro, Inc. sells its shares in a secondary market, which includes GG&A Club Shares Brokers, Inc. These shares are not traded in a stock exchange.

The following table shows the selling prices of shares of the Club for each quarter of 2021, 2022 and 2023:

Quarter of Year	Class A Share Price	Class B Share Price	Class C Share Price	Class D Share Price
Q1 2021	N.A.	₱630,000	₱1,000,000	N.A.
Q2 2021	N.A.	₱630,000	₱1,000,000	N.A.
Q3 2021	N.A.	₱630,000	₱1,000,000	N.A.

Q4 2021	N.A.	₱630,000	₱1,000,000	N.A.
Q1 2022	N.A.	₱630,000	₱1,000,000	N.A.
Q2 2022	N.A.	₱630,000	₱1,000,000	N.A.
Q3 2022	N.A.	₱630,000	₱1,000,000	N.A.
Q4 2022	N.A.	₱630,000	₱1,000,000	N.A.
Q1 2023	N.A.	₱630,000	₱1,000,000	N.A.
Q2 2023	N.A.	₱630,000	₱1,000,000	N.A.

As of end of June 30, 2023, the Club has sold the following number of shares:

Share	**Volume**	**Value**
Class C	643	₱371,807, 305

(b) Holders

The following are the registered holders of the Corporation's securities:

<u>Class A Shares</u>

Nuevocentro, Inc. is the top registered holder of Class A shares of the Corporation as of 30 June 2023. The remainder of Class A shareholders own one (1) share each.

	Stockholder Name	No. of Class A shares	Percentage of Class A shares
1.	Nuevocentro, Inc.	3,688	99.68%

<u>Class B Shares</u>

Nuevocentro, Inc. is the top registered holder of Class B shares of the Corporation as of 30 June 2023. The Spouses Alan Go Lau and Evelyn Ong Lau and Spouses Ludwig De Leon Anog and Maria Perpetua Cruz Anog both have three (3) shares registered in their names as spouses. Melinda Racquel Sison Tongco and Patricia Rebecca Sison Tongco each have two (2) shares registered in their names. The remainder of Class B shareholders own one (1) share each.

	Stockholder Name	No. of Class B shares	Percentage of Class B shares
1.	Nuevocentro, Inc.	2,493	95.88%

<u>Class C Shares</u>

Nuevocentro, Inc. is the top registered holder of Class C shares of the Corporation as of 30 June 2023. The remainder of Class C shareholders own one (1) share each.

	Stockholder Name	No. of Class C shares	Percentage of Class C shares
1.	Nuevocentro, Inc.	294	98.00%

<u>Class D Shares</u>

Nuevocentro, Inc. is the only registered holder of Class D shares of the Corporation as of 30 June 2023.

	Stockholder Name	No. of Class D shares	Percentage of Class D shares
1.	Nuevocentro, Inc.	200	100.00%

(c) Dividends

Being a non-profit organization, no profit shall inure to the exclusive benefit of any of its shareholders; hence, no dividends shall be declared in their favor. However, upon the dissolution or liquidation of the Club, shareholders shall be entitled to a pro-rata share of the assets of the Club at the time of its dissolution or liquidation.

(d) Recent Sale of Unregistered Securities

All of the Club's outstanding shares were subscribed to by the incorporating shareholders. The Club has not sold any unregistered or exempt securities. Neither has it reacquired any securities, issued new securities, issued securities in exchange for property, services, or other securities, or issued new securities resulting from the modification of outstanding securities.

(e) Corporate Governance

The machinery for corporate governance of the Club is principally contained in the Articles of Incorporation and Amended By-Laws and their amendments. These constitutive documents lay down, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board of Directors and officers of the Corporation.

The Club has adopted a Manual of Corporate Governance in the form accordance with the Securities Regulation Code. The function of the Manual of Corporate Governance is to supplement and complement the Club's Articles of Incorporation and By-Laws by setting forth principles of good and transparent governance.

The Board of Directors, Management, officers and employees of the Club commit themselves to the principles and best practices of governance contained in the Manual of Corporate Governance as a guide in the attainment of its corporate goals. The Club shall make a continuing effort to create awareness of good corporate governance within the organization.

New initiatives are regularly pursued to develop and adopt corporate governance best practices and to build the right corporate culture across the organization. The Corporation faithfully observes and implements the corporate governance policies of the Securities and Exchange Commission. Management continues to evaluate existing company policies and procedures in light of the recently amended Manual of Corporate Governance to ensure the Corporation's conformity thereto.

The Manual of Corporate Governance was amended pursuant to the Code of Corporate Governance for Public Companies and Registered Issuers issued by the SEC through SEC MC No. 24, series of 2019. The amendments were approved by the Board of Directors on 26 June 2020. The Amended Manual of Corporate Governance was signed by then Chairman Leonardo L. Leonio and was filed with the SEC on 10 July 2020.

Subsequently after filing the Amended Manual of Corporate Governance, the SEC issued SEC MC No. 20, series of 2020 which required that the Amended Manual of Corporate Governance be signed by both the Chairman and the Compliance Officer. After the election of Mr. Bernard Vincent O. Dy as Chairman, and Ms. Ma. Luisa D. Chiong, as Compliance Officer, at the Organizational Board Meeting held on 25 November 2020, the Amended Manual of Corporate Governance were signed by the Chairman and Compliance Officer and was refiled with the SEC on 18 December 2020.

On 30 September 2021, the Board of Directors authorized the review of the Manual on Corporate Governance to improve the Club's compliance with the SEC's Code of Corporate Governance. On 8 August 2022, the Board of Directors approved and ratified the revised Manual on Corporate Governance with the following amendments: the inclusion of express provisions on (1) Board Diversity; (2) Retirement Policy; (3) Appointment of the Lead Independent Director ("ID"); (4)

Separate Periodic Meetings by the Non-Executive Directors; (5) Updating of the List of Executive Officers; and (6) Alternative Dispute Mechanism for Intra-Corporate Dispute, as well as the reorganization of the following: (1) the Audit and Risk Committee into the Audit and Risk Oversight Committee; and (2) the Nomination and Remuneration Committee into the Corporate Governance and Nomination Committee.

In line with the foregoing amendments, Mr. Oscar S. Reyes was appointed as the Lead Independent Director on 30 September 2022 and with the election of Ms. Jessie D. Cabaluna as an Independent Director on 31 March 2023, the Audit and Risk Oversight Committee and the Corporate Governance and Nomination Committee are now composed of at least three (3) directors, majority of whom are independent directors, including the Chairpersons, consistent with the recommendations of the SEC under SEC MC No. 24, series of 2019.

Upon the written request of the stockholder, the Corporation undertakes to furnish said stockholder with a copy of the SEC Form 17-A, free of charge. Any written request for a copy of SEC Form 17-A shall be addressed to:

Alviera Country Club, Inc.
31/F Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City, 1226 Philippines

Attention: **Ms. Ma. Divina Y. Lopez**
Comptroller, Chief Finance Officer & Compliance Officer

Annex D

Audited Financial Statements

31 December 2022

ALVIERA COUNTRY CLUB

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Alviera Country Club** (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2022 and 2021**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders for the period **December 31, 2022 and 2021**, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

BERNARD VINCENT O. DY
Chairman

ROBERT S. LAO
President

CLARISSA TERESITA L. ASUNCION
Treasurer

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI CITY)SS.

I certify that on AUG 23 2023, before me, a notary public duly authorized in the city named above to take acknowledgements, personally appeared:

Name	Competent Evidence of Identity	Date and Place of Issue
Bernard Vincent O. Dy	Passport no. P7090533B	July 1, 2021/DFA Manila
Robert S. Lao	DL# N04-02-480391	February18, 2019/Quezon City
Clarissa Teresita L. Asuncion	Passport no. P6330816A	March 8, 2018 / NCR South

who made themselves known to me and to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free and voluntary act and deed and that of the juridical person herein presented.

The instrument refers to a Statement of Management's Responsibility for Financial Statements, consisting of two (2) pages including this page on which acknowledgement is written, signed by the parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and the place first above written.

ATTY. JOEL FERRER FLORES
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2023 (2023-2024)
APPOINTMENT NO. M-115.
ROLL NO. 77378
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Series of 2023.

Alviera Country Club, Inc.

Financial Statements
December 31, 2022 and 2021
And Years Ended December 31, 2022,
2021 and 2020

and

Independent Auditor's Report

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Alviera Country Club, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alviera Country Club, Inc. (the Club), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2022, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Club as at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 15 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Alviera Country Club, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Jose Pepito E. Zabat III.

SYCIP GORRES VELAYO & CO.

Jose Pepito E. Zabat

Jose Pepito E. Zabat III
Partner
CPA Certificate No. 85501
Tax Identification No. 102-100-830
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 85501-SEC (Group A)
Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-060-2020, December 3, 2020, valid until December 2, 2023
PTR No. 9566022, January 3, 2023, Makati City

March 31, 2023

ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash in bank (Note 4)	**₱3,279,836**	₱7,660,125
Accounts and other receivables (Note 5)	**8,285,461**	8,893,411
Inventories (Note 6)	**609,926**	889,739
Other current assets	**308,706**	21,756
Total Current Assets	**12,483,929**	17,465,031
Noncurrent Assets		
Property and equipment - net (Note 7)	**776,346,451**	795,691,410
Input value-added tax (VAT) (Note 15)	**115,157,230**	111,936,822
Advances to contractors	**144,884**	144,884
Deposits	**1,269,785**	1,269,785
Total Noncurrent Assets	**892,918,350**	909,042,901
TOTAL ASSETS	**₱905,402,279**	₱926,507,932
LIABILITIES AND EQUITY		
Current Liability		
Accounts and other payables (Note 8)	**₱138,643,781**	₱109,091,483
Noncurrent Liability		
Retention payable (Note 8)	**7,065,259**	7,065,259
Total Liabilities	**145,709,040**	116,156,742
Equity		
Capital stock (Note 9)	**956,745,130**	956,745,130
Deficit	**(197,051,891)**	(146,393,940)
Total Equity	**759,693,239**	810,351,190
TOTAL LIABILITIES AND EQUITY	**₱905,402,279**	₱926,507,932

See accompanying Notes to Financial Statements

ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF COMPREHENSIVE LOSS

	December 31		
	2022	2021	2020
REVENUES			
Sale of goods (Note 12)	**₱18,126,836**	₱16,136,067	₱8,490,267
Membership dues (Note 12)	**17,713,140**	12,067,714	12,231,606
Service income (Note 12)	**2,047,059**	853,827	637,292
Interest income (Notes 4 and 11)	**16,858**	21,724	17,220
Other income (Note 12)	**541,176**	97,031	–
	38,445,069	29,176,363	21,376,385
EXPENSES (Note 12)			
Direct operating expenses	**37,148,712**	33,181,028	35,524,014
Cost of sales and services	**39,587,100**	24,696,590	23,462,292
General administrative expenses	**12,363,836**	10,315,193	10,355,375
	89,099,648	68,192,811	69,341,681
LOSS BEFORE INCOME TAX	**50,654,579**	39,016,448	47,965,296
PROVISION FOR INCOME TAX (Note 10)	**3,372**	4,345	6,210
NET LOSS	**50,657,951**	39,020,793	47,971,506
OTHER COMPREHENSIVE INCOME	**–**	–	–
TOTAL COMPREHENSIVE LOSS	**₱50,657,951**	₱39,020,793	₱47,971,506

See accompanying Notes to Financial Statements

ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF CHANGES IN EQUITY

	December 31		
	2022	2021	2020
PAID-IN CAPITAL (Note 9)			
Common stock, no par value			
Class A – 3,700 shares	**₱296,055,755**	₱296,055,755	₱296,055,755
Class B – 2,600 shares	**546,620,750**	546,620,750	546,620,750
Class C – 300 shares	**63,071,625**	63,071,625	63,071,625
Class D – 200 shares	**50,997,000**	50,997,000	50,997,000
	956,745,130	956,745,130	956,745,130
DEFICIT			
Balance at beginning of year	**(146,393,940)**	(107,373,147)	(59,401,641)
Net loss	**(50,657,951)**	(39,020,793)	(47,971,506)
Balance at end of year	**(197,051,891)**	(146,393,940)	(107,373,147)
	₱759,693,239	₱810,351,190	₱849,371,983

See accompanying Notes to Financial Statements

ALVIERA COUNTRY CLUB, INC.
STATEMENTS OF CASH FLOWS

	December 31		
	2022	2021	2020
OPERATING ACTIVITIES			
Loss before income tax	**(₱50,654,579)**	(₱39,016,448)	(₱47,965,296)
Adjustment for:			
Depreciation expense (Note 7)	**25,139,192**	24,301,876	23,619,729
Interest income (Note 4)	**(16,858)**	(21,724)	(17,220)
Loss before changes in working capital	**(25,532,245)**	(14,736,296)	(24,362,787)
Decrease (increase) in:			
Accounts and other receivables	**607,950**	(1,401,519)	(1,914,176)
Inventories	**279,813**	758,936	373,948
Other current assets	**(286,950)**	(4,332)	(6,092)
Input VAT	**(3,220,408)**	(1,511,891)	(1,925,814)
Increase (decrease) in:			
Accounts and other payables	**4,552,298**	19,846,729	2,333,744
Cash generated from (used in) operations	**(23,599,542)**	2,951,627	(25,501,177)
Interest received	**16,858**	21,724	17,220
Income taxes paid	**(3,372)**	(4,345)	(6,210)
Net cash flows generated from (used in) operating activities	**(23,586,056)**	2,969,006	(25,490,167)
INVESTING ACTIVITIES			
Additions to:			
Property, plant and equipment (Note 7)	**(5,794,233)**	(4,348,883)	(2,554,262)
Decrease (increase) in:			
Retention payable	–	(2,682,130)	(310,500)
Advances to contractors	–	1,583,337	–
Net cash flows used in investing activities	**(5,794,233)**	(5,447,676)	(2,864,762)
FINANCING ACTIVITIES			
Advances from the parent company (Notes 11 and 14)	**25,000,000**	14,000,000	30,100,131
Payment of advances from parent company (Notes 11 and 14)	–	(10,000,000)	(7,027,822)
Net cash flows from financing activities	**25,000,000**	4,000,000	23,072,309
NET INCREASE (DECREASE) IN CASH	**(4,380,289)**	1,521,330	(5,282,620)
CASH AT BEGINNING OF YEAR	**7,660,125**	6,138,795	11,421,415
CASH AT END OF YEAR (Note 4)	**₱3,279,836**	₱7,660,125	₱6,138,795

See accompanying Notes to Financial Statements

ALVIERA COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Alviera Country Club, Inc. (the Club) was registered with the Securities and Exchange Commission (SEC) on July 9, 2014. It was established primarily to construct, maintain, manage and carry on the business of a sports and leisure club and its facilities in the Municipality of Porac, Pampanga, for the amusement, entertainment, recreational and athletic activities, on a non-profit basis, of its members. The Club is a subsidiary of Nuevocentro, Inc (NCI). NCI's parent is Ayala Land, Inc. (ALI). ALI's parent is Ayala Corporation (AC). ALI and AC are publicly-listed entities. Both ALI and AC are incorporated in the Republic of the Philippines.

On July 17, 2014, the Board of Directors (BOD) approved the application for the registration and licensing with the SEC of the Club's 6,800 shares, consisting of 3,700 Class A no par value, 2,600 Class B no par value shares, 300 Class C no par value shares and 200 Class D no par value shares, to be offered to the public. The SEC issued the Certificate of Permit to Offer securities for Sale on May 6, 2015.

The Club is exempt from payment of income tax on income received from social, recreational, and athletic activities on a nonprofit basis provided that no part of the Club's income shall inure to the benefit of any of its members, trustees and officers. Under Section 30 (E) of the Tax Reform Act of 1997, an organization organized for recreational, sports and athletic activities shall be exempt from payment of income tax on income received from aforementioned activities.

On August 3, 2012, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) No. 35-2012 clarifying that clubs organized and operated exclusively for pleasure, recreation and other non-profit purposes are subject to income tax and VAT on their income from whatever source, including but not limited to membership fees, assessment dues, rental income, and service fees.

On August 13, 2019, the Supreme Court (SC) declared that membership fees, assessment dues, and fees of similar nature collected by Clubs which are organized and operated exclusively for pleasure, recreation, and other nonprofit purposes do not constitute as: (a) "the income of recreational clubs from whatever source" that are "subject to income tax"; and (b) part of the "gross receipts of recreational clubs" that are "subject to VAT". Starting October 1, 2020, the Club no longer collected output VAT on membership fees and fees of similar nature.

The Club started its commercial operations on March 28, 2019 and had its official grand launch on July 31, 2019.

The Club's registered office address and principal place of business is at Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga.

The accompanying financial statements were authorized for issuance by the BOD on March 31, 2023.

Status of Operations

The Club incurred net losses amounting to ₱50,657,951 and ₱39,020,793 in 2022 and 2021, respectively, resulting in deficit amounting to ₱197,051,891 and ₱146,393,940 as of December 31, 2022 and 2021, respectively. Also, the Club's current liabilities exceeded its total current assets by ₱126,228,299 and ₱91,626,452 as of December 31, 2022 and 2021, respectively.

To address such deficiency, the Club is continuously implementing strategies to help improve the operational results for the coming year, such as implementing hybrid/flexible working hours, bidding processes for all of purchases and implementation of effective cash conservation by maximizing credit terms provided by suppliers. Further, the Club's parent is committed to provide the necessary financial support for the Club's working capital requirements to meet its liabilities and other possible obligations and responsibilities in order for it to continue its business operations as a going concern.

Management has assessed that the Club is still able to maintain sufficient liquidity, to enable the Club to continue as a going concern for at least the next 12 months from the date of these financial statements.

2. Basis of Preparation

Basis of Preparation

The financial statements of the Club have been prepared using the historical cost basis and are presented in Philippine Peso (₱), the Club's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

The financial statements of the Club have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Club has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, the adoption did not have any significant impact on the financial statements of the Club.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Club does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Club intends to adopt the following pronouncements when these become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

Deferred effectivity
- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Significant Accounting Policies
The significant accounting policies that have been used in the preparation of the financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current versus Noncurrent Classification
The Club presents assets and liabilities in the statement of financial position based on a current and noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash
Cash includes cash on hand and in banks. Cash on hand are funds readily available into cash. Cash in banks is stated at face amount and earns interest at the prevailing bank deposit rates.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Club.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Club determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Club has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. The Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Financial assets that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

As of December 31, 2022, and 2021, the Club's financial assets pertain to financial assets at amortized cost (debt instruments).

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost includes "Cash in bank" and "Accounts and other receivables".

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Club has transferred substantially all the risks and rewards of the asset, or (b) the Club has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Club also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Club has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

Impairment of Financial Assets
The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Club determines whether to apply the general approach or the simplified approach when calculating the provision for ECL. Under the general approach, at each reporting date, the Club recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. Under the simplified approach, the changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL.

For cash in bank, the Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Club's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

For other financial assets such as accounts and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Determining the stage for impairment
At each reporting date, the Club assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Club considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Financial Liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at amortized cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of comprehensive income.

The Club's financial liabilities include accounts and other payables, except government payables, contract liabilities and payables to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in statements of comprehensive income.

<u>Offsetting of Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, to realize the asset and settle the liability simultaneously. The Club assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Club and all of the counterparties.

<u>Inventories</u>
Inventories consist of food and beverage. Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using weighted average method. NRV of food and beverage is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. In determining NRV, the Club consider any adjustment necessary for spoilage, breakage and obsolescence.

<u>Other Current Assets</u>
Other current assets are recognized in the statements of financial position when it is probable that the future economic benefits will flow to the Club and the assets have cost or value that can be measured reliably. These assets are regularly evaluated for any impairment in value. Other assets include prepaid expenses, creditable withholding taxes and deferred input VAT.

Prepaid Expenses
Prepaid expenses represent costs not yet incurred but already paid. Prepaid expenses are initially recorded as assets and measured at cost, which is the amount of cash paid. Subsequently, these are charged to profit and loss as they are consumed in operations or expire with the passage of time.

Creditable Withholding Taxes
Creditable withholding taxes are available for application against income tax payable in future periods.

Deferred Input VAT
Deferred input VAT pertains to purchases for which the invoice is not yet paid.

Value-added Tax (VAT)

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Input VAT on goods purchased on or after January 1, 2022 will be fully recognized outright and claimed as input tax credits against output tax.

Advances to Contractors
Advances to contractors pertain to the down payments paid by the Club to its contractors. These are carried at cost less impairment, if any, and are recouped upon every progress billing payment depending on the percentage of accomplishment.

Land
Land consists of properties for future development and is carried at cost less any impairment in value. The initial cost of land comprises its purchase price and any directly attributable costs of bringing the land to the condition necessary for its intended use.

Property and Equipment
Property and equipment, except land, are stated at cost net of accumulated depreciation, amortization and accumulated impairment losses, if any. Land held for use in operations is carried at cost less any impairment losses.

The initial cost of property and equipment consists of its purchase price including import duties and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance are recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciations are computed on a straight-line basis over the estimated useful lives of the property and equipment. The estimated useful lives of the property and equipment are as follows:

Asset Type	Number of Years
Building	40
Facilities, furniture, fixtures and equipment	3 to 5
Transportation equipment	3 to 5

The Club determines depreciation for each significant part of an item of property and equipment.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated property and equipment are retained in the books until these are no longer in use.

Impairment of Nonfinancial Assets

Advances and other noncurrent assets

The Club provides allowance for impairment losses on advances and other noncurrent assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Club made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease advances and other noncurrent assets.

Recovery of impairment losses recognized in prior year is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. The recovery is recorded in the statement of income. However, the increase in carrying amount of an asset due to recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined had there been no impairment loss recognized for that asset in prior year.

Property and equipment

The Club assesses at each reporting date whether there is an indication that property and equipment may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value-in-use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Equity

Paid-in Capital

Paid-in Capital is measured at par value for all shares issued. When the Club issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and stated value is credited to "Additional paid-in capital" account. Direct costs incurred related to the issuance of new shares are chargeable to equity account, net of related tax benefits.

Deficit

Deficit represents accumulated losses of the Club. A deficit is not an asset but a deduction from equity.

Revenue from Contracts with Customers

The Club's revenue from contracts with customers primarily consist of membership dues, service income and sale of goods. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

The following are the Club's performance obligations:

Membership dues

Revenue from membership dues is recognized over the time the members are provided access to the Club's room accommodation, golf course, sports complex, game rooms, restaurants and other amenities. Transaction price is determined to be the BOD-approved rate for monthly membership dues. Each monthly membership dues are considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. Any advance payments are recorded in the contract liabilities account included in the accounts and other payables line item in the statements of financial position.

Service income

Service income includes revenue from providing room accommodation, guest fees and income from the use of the Club's facilities and amenities such as golf course, sports complex, game rooms and other Club amenities. Revenue is recognized over the time the services are rendered and/or facilities and amenities are used.

Sale of goods

Revenue from sale of food and beverages and merchandise are recognized when control of the goods is transferred to the customers, generally when goods are delivered to and accepted by the customers.

Contract Balances

Trade receivables

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is recognized if a payment is received or payment is due (whichever is earlier) from a customer before the Club transfers the related goods or services. Contract liabilities are recognized as revenue when the Club performs under the contract. Membership dues and consumables collected in advance are recognized as contract liabilities in the statements of financial position.

Other Income Recognition
Interest income
Interest income is recognized as it accrues using the effective interest method.

Other income
Other income is recognized when incurred.

Expense Recognition
Expense is recognized when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Expenses are recognized in the statements of comprehensive income:

- On the basis of a direct association between costs incurred and earning specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or,
- Immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the statements of financial position as an asset.

Taxes
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted as at the end of the reporting period.

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as income tax payable in the statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of other current assets in the statements of financial position.

Deferred tax
Deferred tax is provided using the liability method on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be

controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Uncertainty over income tax treatments
The Club assesses at the end of each reporting period whether it has any uncertain tax treatments by reviewing the assumptions about the examination of tax treatments by the taxation authority, determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and considering changes in relevant facts and circumstances. The Club then evaluates how likely is it that a certain tax treatment will be accepted by the taxation authority. If it is probable that the taxation authority will accept a certain tax treatment, the Club concludes that it has no uncertain tax treatment and will measure tax amounts in line with the income tax filings. If it is not probable that the taxation authority will accept a certain tax treatment, the Club measures tax amounts based on the 'most likely amount' method (better predicts uncertainty if the possible outcomes are binary or are concentrated on one value) or 'expected value' method (better predicts uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value). The Club presents uncertain tax liabilities as part of current tax liabilities or deferred tax liabilities.

<u>Provisions</u>
Provisions are recognized when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

Events After the End of the Reporting Period
Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Club's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the financial statements when material.

3. **Significant Accounting Judgements and Estimates**

The preparation of the financial statements in compliance with PFRS requires the Club to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments
In the process of applying the Club's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognized in the financial statements:

Going concern assessment
The use of the going concern assumption involves management making judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. The underlying assumption in the preparation of financial statements is that the Club has neither the intention nor the need to liquidate. Management takes into account a whole range of factors which include, but not limited to, the Parent Company's ability to provide financial support, expected operations and profitability and potential sources of additional financing. Management prepares the financial statements on a going concern basis as management has future plans regarding the Club, as discussed in Note 1.

Identification of contract with customers under PFRS 15
The Club applies PFRS 15 guidance to a portfolio of contracts with similar characteristics as the Club reasonably expects that the effects on the financial statements if applying this guidance to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio. Hence, the Club viewed each transaction receipt as one contract.

Identifying performance obligations
The Club identifies performance obligations by considering whether the promised goods or services in the contract are distinct goods or services. A good or service is distinct when the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer is separately identifiable from the other promises in the contract.

Determining whether the Club is acting as a principal or agent
The Club assesses its revenue arrangements against specific criteria in order to determine if it's acting as principal or agent. The following criteria indicate whether the Club is acting as a principal or an agent:

- The Club has the primary responsibility for providing services to the customer;
- The Club has latitude in establishing price, either directly or indirectly, for example by providing additional services; and,
- The Club bears the customer's credit risk for the amount receivable from the customer.

The Club has concluded that generally, it is acting as a principal in its revenue arrangements.

Determination of taxable profit, tax bases, unused tax losses, unused tax credits and tax rates
The Club has assessed whether it has any uncertain tax treatments. The Club applies significant judgement in identifying uncertainties over its income tax treatments. The Club assessed whether the Interpretation had an impact on its financial statements. The Club determined, based on its tax assessment, in consultation with its tax counsel, that it has no uncertain tax treatments. Accordingly, the interpretation did not have significant impact on the financial statements.

<u>Estimates</u>
Estimating allowance for ECL of receivables
The Club assesses long-outstanding member's receivable account periodically as to future collectability. Club shares of members with long-outstanding balances are placed to public auction for bidding at the management's own terms and minimum pricing to ensure that outstanding balances are delinquent members are recovered. The Club defines a financial asset as in default when contractual payments are 120 days past due. However, in certain cases, the Club may also consider a receivable to be in default when internal or external information indicates that the Club is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Club.

For the Club's receivables from related parties and deposits, evaluation includes the review of the credit risk of the borrower through a review of qualitative and quantitative information. Factors being considered includes significant changes in the business, financial and economic conditions, regulatory and economic environment to which the borrower operates, among others.

No ECL was recognized in 2022 and 2021.

Estimating NRV of inventories
Inventories are presented at the lower of cost or NRV. Estimation of NRV is based on the most reliable evidence available at the time the estimates are made of the amount the inventories are expected to be realized. A review of the items of inventories is performed at the end of each reporting period to reflect the accurate valuation of inventories in the financial statements.

The carrying values of inventories amounted to ₱609,926 and ₱889,739 as at December 31, 2022 and 2021, respectively. No provision for inventory obsolescence was recognized in 2022 and 2021 (see Note 6).

Assessing recoverability of input VAT
The Club assesses on a regular basis if there is an objective evidence of impairment of input VAT. The amount of impairment loss is measured as the difference between the carrying amount and the estimated recoverable amount. The recognition of impairment requires the Club to assess how it could claim its accumulated input VAT.

The Club has accumulated excess input VAT since its establishment in 2014. Management expects to utilize the accumulated input VAT through addition of new revenue streams.

The carrying values of input VAT amounted to ₱115,157,230 and ₱111,936,822 as at December 31, 2022 and 2021, respectively. Allowance for impairment losses on input VAT amounted to nil as at December 31, 2022 and 2021.

Evaluating asset impairment
The Club reviews property and equipment, and other nonfinancial current and noncurrent asset for impairment in value. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends, taking into consideration the impact of coronavirus pandemic.

Internal and external sources of information are reviewed at each statement of financial position date to identify indications that the Club's nonfinancial asset may be impaired, or an impairment loss previously recognized no longer exists or may be decreased. If any such indication exists, the recoverable amount of the nonfinancial asset is estimated.

As described in the accounting policy, the Club estimates the recoverable amount as the higher of the fair value less cost of disposal and value-in-use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Club is required to make estimates and assumptions that may affect other current and noncurrent assets, and property and equipment. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

No impairment losses were recognized for the Club's nonfinancial assets. As at December 31, 2022 and 2021, the carrying values of the nonfinancial assets follow:

	2022	2021
Property and equipment (Note 7)	**₱776,346,451**	₱795,691,410
Other current assets	**308,706**	21,756

Recognizing deferred tax assets
The Club reviews the carrying amounts of deferred taxes at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club will generate sufficient taxable profits to allow all or part of the deferred tax assets to be utilized. The Club looks at its projected performance in assessing the sufficiency of future taxable profits. The Club's deferred tax assets on temporary differences, net operating loss carryover (NOLCO) and minimum corporate income tax (MCIT) amounted to ₱161,769,754 and ₱137,307,745 as of December 31, 2022 and 2021, respectively. Further details on deferred tax assets are provided in Note 10.

4. Cash

This account consists of:

	2022	2021
Cash in banks	**₱3,229,836**	₱7,610,125
Petty cash fund	**50,000**	50,000
	₱3,279,836	₱7,660,125

Cash in bank refers to savings account maintained by the Club with a local bank. Interest income earned from cash in bank amounted to ₱16,858, ₱21,724, and ₱17,220, gross of final tax, in 2022, 2021, and 2020 respectively (see Note 11). Corresponding final tax in 2022, 2021 and 2020 amounted to ₱3,372, ₱4,345, and ₱3,444, respectively.

5. Accounts and Other Receivables

This account consists of:

	2022	2021
Trade receivables	**₱7,531,136**	₱5,430,558
Due from related parties (Note 11)	**290,730**	2,644,029
Receivable from employees	**463,595**	818,824
	₱8,285,461	₱8,893,411

Trade receivables pertain mainly to membership dues, sales generated by the Club's restaurant, and sports and recreation facilities. These are collectible and billed to member within one month from consumption and usage.

Receivable from related parties pertains to usage of the Club's facilities.

Receivable from employees represent advances for travel and other expenses arising in the ordinary course of business. These are non-interest bearing and are recoverable through expense liquidation within one month from grant date.

6. Inventories

Inventories amounting to ₱609,926 and ₱889,739 in 2022 and 2021, respectively, mainly consist of food and beverage. Inventories are stated at cost, which is lower than their NRV. Cost of food and beverages charged to operations amounted to ₱9,999,369, ₱6,980,802, and ₱6,353,819 in 2022, 2021 and 2020, respectively (see Note 12).

7. Property and Equipment

Movements in this account are as follows:

2022

	Land (Note 11)	**Building**	**Facilities, Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Total**
Cost					
Balance at beginning of the year	**₱14,429,178**	**₱818,420,257**	**₱17,404,820**	**₱3,802,541**	**₱854,056,796**
Additions	**–**	**–**	**5,794,233**	**–**	**5,794,233**
Balance at end of the year	**14,429,178**	**818,420,257**	**23,199,053**	**3,802,541**	**859,851,029**
Accumulated depreciation					
Balance at beginning of the year	**–**	**49,317,516**	**6,956,473**	**2,091,397**	**58,365,386**
Depreciation (Note 12)	**–**	**20,589,214**	**3,789,470**	**760,508**	**25,139,192**
Balance at end of year	**–**	**69,906,730**	**10,745,943**	**2,851,905**	**83,504,578**
Net book value	**₱14,429,178**	**₱748,513,527**	**₱12,453,110**	**₱950,636**	**₱776,346,451**

2021

	Land (Note 11)	Building	Facilities, Furniture, Fixtures and Equipment	Transportation Equipment	Total
Cost					
Balance at beginning of the year	₱14,429,178	₱816,289,920	₱15,186,274	₱3,802,541	₱849,707,913
Additions	–	2,130,337	2,218,546	–	4,348,883
Balance at end of the year	14,429,178	818,420,257	17,404,820	3,802,541	854,056,796
Accumulated depreciation					
Balance at beginning of the year	–	28,915,678	3,816,943	1,330,889	34,063,510
Depreciation (Note 12)	–	20,401,838	3,139,530	760,508	24,301,876
Balance at end of year	–	49,317,516	6,956,473	2,091,397	58,365,386
Net book value	₱14,429,178	₱769,102,741	₱10,448,347	₱1,711,144	₱795,691,410

8. Accounts and Other Payables

This account consists of:

	2022	2021
Accounts payable	**₱1,995,917**	₱7,656,632
Due to related parties (Note 11)	**119,471,299**	80,990,304
Contract liability	**5,523,018**	8,395,596
Accrued expenses	**5,236,802**	7,482,951
Payables to government agencies	**6,416,745**	4,566,000
	₱138,643,781	₱109,091,483

Due to related parties largely pertains to advances, utilities, and communication expense.

Contract liability pertains to payments received from member for future consumption of Club's services and facilities, monthly membership dues received by the Club in advance, deposits from members and guests for booked functions and events.

Accounts payable pertains to other construction services and purchase of inventories. These are non-interest bearing and are settled within one year.

Accrued expenses pertain to professional fees and contracted services incurred by the Club.

Payables to government agencies pertains to withholding taxes payable to Bureau of Internal Revenue (BIR) and statutory employee remittances to other government agencies.

Retention payable

The Club's retention payable as of December 31, 2022 and 2021 amounted ₱7,065,259. These includes amounts held against contractors which are settled upon completion of the construction projects.

9. Equity

The Club has an authorized capital stock of 6,800, no par shares. The details of the number of authorized and issued shares of the Club as of December 31, 2022 and 2021 follow:

	Stated Value	Authorized	Issued	Amount
Class A	₱76,000	3,617	3,617	₱274,892,000
	254,985	83	83	21,163,755
Class B	76,000	650	650	49,400,000
	254,985	1,950	1,950	497,220,750
Class C	76,000	75	75	5,700,000
	254,985	225	225	57,371,625
Class D	254,985	200	200	50,997,000
		6,800	6,800	₱956,745,130

The details of the Club's registered capital stock with the SEC as at December 31, 2022 and 2021 follow:

	Number of Shares Registered	Issue Price	Date of Approval
Class B	650	₱76,000	May 6, 2015
Class C	1,950	254,985	May 6, 2015
	75	76,000	May 6, 2015

As of December 31, 2022 and 2021, the total number of shareholders are 120 and 119, respectively.

Class A shares
Class A shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Class A shares are issued to the original subscribers of the Club and shall have the status of Founders' Shares with all the rights and privileges a subscribed to Founders' shares. Founders' shares are subjected to the rights and restrictions within a period of five years from date of incorporation: (a) has sole and exclusive right to nominate persons who shall serve as director of the Club; (b) are prohibited from selling and transferring founders' share to third persons; (c) usage without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

Class B shares
Class B shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class B shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class B shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class C shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class C shares
Class C shares shall be held by a corporation, partnership or association, irrespective of nationality or citizenship. Each Class C shares shall be entitled to two usage rights which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class C shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class D shares
Class D shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class D shares shall be entitled to one usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class B shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class C shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

In view of the issuance of Founders' shares, the voting rights pertaining to Class B, C and D shares shall be suspended for the period commencing from the date of incorporation of the Club up to and including the date prior to the fifth anniversary of such date of incorporation. Upon the expiry of such five-year period, the Class A shares shall automatically lose their character as Founders' Shares and the holder thereof shall be deemed to be a holder of a regular Class A share, whereby the voting rights of all the other classes of shares in the Club shall be automatically activated and shall be equal in all respects to holders of all the other classes of shares in the Club.

Shareholders shall only be entitled to a pro-rata share of the assets of the Club at the time of the dissolution or liquidation thereof.

Upon the incorporation of the Club, NCI, Parent Company, invested ₱133,000,000 in cash consideration for the issuance of club shares, at its initial issue price of ₱76,000 per share. Furthermore, NCI paid for the documentary stamp tax related to the Club's incorporation amounting ₱0.66 million.

On August 10, 2018, the SEC approved the confirmation of valuation of advances from NCI amounting to of ₱196,992,000 in exchange of 2,592 Class A shares.

On October 4, 2018, the BOD approved the subscription of NCI to the Club's remaining authorized capital stock comprising of 83 class A shares, 1,950 Class B shares, 225 Class C shares and 200 Class D shares at an issue price of ₱254,985 per share. In 2018, NCI made payment for its subscription amounting to ₱156,688,282 and the outstanding balance amounting to ₱470,064,848 in 2019.

NCI is authorized to offer the club shares to the public by way of secondary offering. As of December 31, 2022 and 2021, NCI sold 9.29% and 8.32% of its total shares in the Club. Ownership of these shares is transferred once fully paid.

Capital Management

Cash in bank is maintained at a level that will enable the Club to fund its general and administrative expenses as well as to have additional funds to support future expansion and growth in its business operations. The Club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2022 and 2021.

The Club's primary source of capital is its capital stock amounting to ₱956,745,130 as of December 31, 2022, 2021 and 2020.

The Club is not subject to any externally imposed capital requirement.

10. Income Tax

"Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" Bill

The President of the Philippines signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. RA 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

Pursuant to the CREATE Act, the Club has adopted the following changes effective July 1, 2020:

- Regular corporate income tax (RCIT) rate is reduced from 30% to 25%
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

The provision for income tax consists of:

	2022	2021	2020
Current	**₱–**	₱–	₱2,766
Final	**3,372**	4,345	3,444
Provision for income tax	**₱3,372**	₱4,345	₱6,210

Provision for income tax pertains to MCIT and final tax on interest income from cash in bank (see Note 4).

The reconciliation between the statutory and the effective income tax rates follows:

	2022	2021	2020
Benefit from income tax computed at statutory income tax rate (25% in 2022 and 2021 and 30% in 2020)	**(₱12,663,645)**	(₱9,754,112)	(₱14,389,589)
Tax effects of:			
Expired NOLCO	**9,539,774**	953,755	166,717
Movement in unrecognized deferred tax assets	**6,064,891**	11,822,717	17,288,706
Expired MCIT	**67,483**	–	–
Interest income already subjected to final tax	**(843)**	(1,086)	(1,722)
Nontaxable income	**(3,004,288)**	(3,016,929)	(3,057,902)
Provision for income tax	**₱3,372**	₱4,345	₱6,210

The Club did not recognize deferred tax assets on the following:

	2022	2021
NOLCO	**₱156,530,184**	₱132,265,692
Accrued expenses	**5,236,802**	4,971,804
MCIT	**2,766**	70,249
	₱161,769,752	₱137,307,745

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

As of December 31, 2022 the Club has incurred NOLCO which can be claimed as deduction from the regular taxable income for the next three consecutive taxable years, as follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2019	38,159,096	38,159,096	–	2022
2022	62,423,588	–	62,423,588	2025
	₱100,582,684	₱38,159,096	₱62,423,588	

As of December 31, 2022, the Club has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2020	₱42,849,781	₱–	₱42,849,781	2025
2021	51,256,815	–	51,256,815	2026
	₱94,106,596	₱–	₱94,106,596	

The excess of MCIT over RCIT follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2019	₱67,483	₱67,483	₱–	2022
2020	2,766	–	2,766	2023
	₱70,249	₱67,483	₱2,766	

11. **Related Party Transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Club including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Club. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Club gives them significant influence over the enterprise, key management personnel, including directors and officers of the Club and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

Terms and Conditions of Transactions with Related Parties

In the ordinary course of business, the Club has transactions with related parties. There have been no guarantees provided or received for any related party receivables or payables. These accounts are due based on normal credit terms, non-interest bearing and are generally unsecured except for advances to contractors, which is subject to recoupment over the term of the construction.

Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The following table shows the related party transactions included in the financial statements:

		Volume		Outstanding balance			
	Nature	**2022**	2021	**2022**	2021	**Terms**	**Conditions**
Receivables							
Parent							
NCI (b)	Advances to Parent Company	**(₱1,837,407)**	₱231,300	**₱–**	₱1,837,407	Due and demandable Non-interest bearing	Unsecured
Entities under common control							
ALI (e)	Advances to related party	**515,892**	64,842	**290,730**	806,622	Due and demandable Non-interest bearing	Unsecured
Total				**₱290,730**	₱2,644,029		
Payables							
Parent							
NCI (c)	Advances from Parent Company	**₱35,138,084**	₱15,577,729	**₱113,019,893**	₱77,881,809	Due and demandable Non-interest bearing	Unsecured
Entities under common control							
Alveo Land Corp.	Advances from related party	**₱–**	₱–	**₱81,537**	₱81,537	Due and demandable Non-interest bearing	Unsecured
ALI (d)	Advances from related party	**1,171,284**	872,451	**3,291,326**	2,120,042	Due and demandable Non-interest bearing	Unsecured
Ayala Property Management Corp. (APMC) (f)	Advances from related party	**(13,020)**	11,559	**–**	13,020	Due and demandable Non-interest bearing	Unsecured
Anvaya Cove Golf & Sports Club, Inc.	Advances from related party	**26,541**	26,541	**26,541**	–	Due and demandable Non-interest bearing	Unsecured
Makati Development Corp. (MDC)	Advances from related party	**2,320,874**	–	**2,320,874**	–	Due and demandable Non-interest bearing	Unsecured
Associates of Ayala Corporation (AC)							
Manila Water Ventures Philippines Ventures Inc. (g)	Utilities expense	**(715,472)**	412,338	**86,102**	801,574	Due and demandable Non-interest bearing	Unsecured
Globe Telecom Inc. (h)	Communication expense	**317,107**	27,934	**409,429**	92,322	Due and demandable Non-interest bearing	Unsecured
Innove Communications Inc	Advances from related party	**235,597**	–	**235,597**	–	Due and demandable Non-interest bearing	Unsecured
Total				**₱119,471,299**	₱80,990,304		

The following describes the nature of the transactions of the Club with related parties as of December 31, 2022 and 2021:

a. The Club acquired 5.62 hectares of land in Porac, Pampanga in 2014 from its parent company, NCI, for the future construction site of the Club's premises. The Club recognized the property as "Land" at its purchase price plus directly attributable taxes amounting to ₱14,429,178 (see Note 7).

b. The Club made advances to NCI amounting to nil and ₱1,837,407 as of 2022 and 2021, respectively, which pertains on procurement of operating supplies.

c. NCI made advances amounting to ₱25,000,000 and ₱14,000,000 as of December 31, 2022 and 2021, respectively, to the Club for working capital requirements. The Club made payment to NCI for the advances amounting nil and ₱10,000,000 for 2022 and 2021, respectively.

d. The outstanding balance due to ALI as of December 31, 2022 and 2021 pertains to advances made to the Club amounting to ₱3,291,326 and ₱2,120,042, respectively.

e. Receivable from ALI pertains to its consumption and usage of the Club's facilities with charges amounting to ₱290,730 and ₱806,622 as of December 31, 2022 and 2021, respectively.

f. The outstanding balance due to APMC pertains to parking fees charged to the Club amounting to nil and ₱13,020 as of December 31, 2022 and 2021, respectively.

g. Outstanding balance amounting to ₱86,102 and ₱801,574 due to Manila Water Philippine Ventures Inc. as of December 31, 2022 and 2021 pertains to water expense incurred by the Club. Total water expense incurred by the Club for 2022 and 2021 amounted to ₱4,063,622 and ₱767,812, respectively, which was shouldered by NCI.

h. Outstanding balance amounting to ₱409,429 and ₱92,322 due to Globe Telecom Inc. as of December 31, 2022 and 2021 pertains to communication expense incurred by the Club. Total communication expense incurred by the Club amounts to ₱269,516 and ₱162,221 for 2022 and 2021, respectively.

i. As of December 31, 2022 and 2021, the Club maintains its cash in bank account with BPI, an associate of AC, amounting to ₱2,713,101 and ₱6,564,533, respectively. Interest income earned from cash in bank amounted to ₱14,676, ₱21,390, and ₱17,220 in 2022, 2021, and 2020 respectively.

j. The key management personnel of the Club are its directors. In 2022, 2021 and 2020, no compensation has been granted by the Club to them.

12. **Revenue from Contracts with Customers and Expenses**

This account consists of:

	2022	2021	2020
Sale of goods	**₱18,126,836**	₱16,136,067	₱8,490,267
Membership dues	**17,713,140**	12,067,714	12,231,606
Service income:			
Guest fees	**782,396**	602,727	424,834
Villa	**718,304**	–	–
Sports and complex revenue	**449,930**	251,100	179,379
Spa	**96,429**	–	33,079
Other income	**541,176**	97,031	–
	₱38,428,211	₱29,154,639	₱21,359,165

Sales of goods pertains to consumption of food and beverage in the Club's restaurant.

Membership dues pertain to maintenance fees paid by its members on a monthly basis.

Other income mostly pertains to cash overage and expired consumables.

Cost of sales and services for the year ended December 31 consist of:

	2022	2021	2020
Cost of goods (Note 6)	**₱9,999,369**	₱6,980,802	₱6,353,819
Cost of services	**29,587,731**	17,715,788	17,108,473
	₱39,587,100	₱24,696,590	₱23,462,292

Direct operating expenses consist of:

	2022	2021	2020
Depreciation expense (Note 7)	**₱25,139,192**	₱24,301,876	₱23,619,729
Contracted services	**6,520,560**	6,309,052	5,801,411
Utilities expense	**1,890,590**	980,775	1,125,670
Repairs and maintenance	**1,070,682**	213,257	361,228
Transportation and travel	**640,398**	360,616	756,216
Salaries and wages	**522,023**	137,916	199,091
Marketing	**83,087**	60,165	181,493
Representation	**62,058**	91,266	100,801
Insurance expense	**41,913**	31,781	49,192
Professional fees	**–**	–	175,850
Other expenses	**1,178,209**	694,324	3,153,333
	₱37,148,712	₱33,181,028	₱35,524,014

Contracted services mostly pertain to services rendered by the Club's staff and security personnel.

Utilities expense pertains to electricity and water consumption.

Representation pertains to expenses incurred as complimentary to customers or suppliers.

Repairs and maintenance pertain to expenses incurred for the upkeep of properties of the Club.

Transportation and travel pertain to fares, toll fees, fuel and accommodation incurred during official business trip of the employees.

Other expenses mostly pertain to cost of spoilage and daily meals given to employees.

General administrative expenses consist of:

	2022	2021	2020
Salaries and other benefits	**₱10,995,967**	₱8,916,546	₱9,376,028
Professional fees	**860,455**	615,742	403,902
Taxes and licenses	**303,096**	485,914	448,399
Supplies	**68,400**	97,187	44,065
Other financing charges	**27,405**	23,450	82,981
Other expenses	**108,513**	176,354	–
	₱12,363,836	₱10,315,193	₱10,355,375

Salaries and other benefits pertain to salaries and mandatory government benefits to direct employees of the Club.

Professional fees pertain to incurred legal fees and audit.

Taxes and licenses pertain to payment of real property taxes and permits of the Club.

Supplies pertains to office supplies used for administrative purposes.

Other expenses mainly pertain to miscellaneous fees.

13. **Financial Assets and Financial Liabilities**

Fair Value Information
The carrying values of the Club's cash, deposits, accounts and other receivables and accounts and other payables approximate their fair values due to the short-term nature of transactions involving these financial instruments.

Fair Value Hierarchy
As of December 31, 2022, and 2021, the Club has no financial asset and liability carried at fair value.

Financial Risk Management Objectives and Policies
The Club's principal financial instruments comprise of cash, deposits, accounts and other receivables and accounts and other payables. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The investment of the Club's cash resources is managed so as to minimize risk while seeking to enhance yield. The Club's holding of cash in bank exposes the Club to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Club consequently suffers financial loss. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing.

Bank limits are established on the basis of liquidity, capital adequacy and financial stability. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The maximum exposure to credit risk for the C's financial assets as at December 31 are as follows:

	2022	2021
Cash in banks (Note 4)	**₱3,229,836**	₱7,610,125
Accounts and other receivables (Note 5)*	**7,821,866**	8,074,587
Deposits	**1,269,785**	1,269,785
	₱12,321,487	₱16,954,497

**excluding receivables from employees*

These financial assets are neither past due nor impaired.

Liquidity risk
Liquidity risk is defined by the Club as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Club that make it difficult for the Club to raise the necessary funds or that forces the Club to raise funds at significantly higher interest rates than usual.

The Club manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Club maintains a level of cash deemed sufficient to finance its operations.
As part of its liquidity risk management, the Club regularly evaluates its projected and actual cash flows.

The table below analyzes the Club's financial assets and liabilities as at December 31, 2022 and 2021. The amounts disclosed in the table are the contractual undiscounted cash flows which are equal to their carrying balances, as the impact of discounting is not significant.

	Due and demandable	**Within three months**	**More than three months**	**Total**
December 31, 2022				
Financial Assets				
Cash in bank (Note 4)	**₱3,229,836**	**₱–**	**₱–**	**₱3,229,836**
Accounts and other receivables (Note 5)	**7,821,866**	**–**	**–**	**7,821,866**
Deposits	**–**	**–**	**1,269,785**	**1,269,785**
Total Financial Assets	**₱11,051,702**	**₱–**	**₱1,269,785**	**₱12,321,487**
Financial Liabilities				
Accounts and other payables (Note 8)	**₱132,227,036**	**₱–**	**₱–**	**₱132,227,036**
Liquidity Position (Gap)	**(₱121,175,334)**	**₱–**	**₱1,269,785**	**(₱119,905,549)**

	Due and demandable	Within three months	More than three months	Total
December 31, 2021				
Financial Assets				
Cash in bank (Note 4)	₱7,610,125	₱–	₱–	₱7,610,125
Accounts and other receivables (Note 5)	8,074,587	–	–	8,074,587
Deposits	–	–	1,269,785	1,269,785
Total Financial Assets	₱15,684,712	₱–	₱1,269,785	₱16,954,497
Financial Liabilities				
Accounts and other payables (Note 8)	₱104,525,483	₱–	₱–	₱104,525,483
Liquidity Position (Gap)	(₱88,840,771)	₱–	₱1,269,785	(₱87,570,986)

Accounts and other payable exclude taxes payable to government agencies and statutory liabilities aggregating to ₱6,416,745 and ₱4,566,000 as at December 31, 2022 and 2021, respectively, which are considered as non-financial liabilities.

As of December 31, 2022, and 2021, the Club's financial liabilities are all due and demandable.

14. Changes in Liabilities Arising from Financing Activities

The reconciliations of the movements in the Club's financing activities are presented below:

2022

	January 1, 2022	**Availment**	**Settlement**	**Non-cash changes**	**December 31, 2022**
Advances from Parent Company (Note 11)	**₱77,881,809**	**₱25,000,000**	**₱–**	**₱10,138,084**	**₱113,019,893**

2021

	January 1, 2021	Availment	Settlement	Non-cash changes	December 31, 2021
Advances from Parent Company (Note 11)	₱62,304,080	₱14,000,000	(₱10,000,000)	₱11,577,729	₱77,881,809

15. Supplementary Tax Information Under Revenue Regulations No. 15-2010

The Club reported and/or paid the following types of taxes for 2022:

VAT

Net Sales/Receipt and Output VAT declared in the Club's VAT returns for the year 2022:

	Net Sales/Receipts	Output VAT
Taxable sales:		
Sale of goods	₱18,126,836	₱2,175,220
Sale of services	2,588,235	310,588
Total	₱20,715,071	₱2,485,808

Sale of services subject to VAT pertains to gross receipts/collections on revenues from guest fees, spa services and rental of recreational equipment. On the other hand, sale of goods pertains to gross receipts/collections on revenues from sale of food, beverage and merchandise.

The Club has exempt sales amounting to ₱17,713,140 pursuant to SC Ruling G.R. No. 228539 [*Association of Non-Profit Clubs, Inc. (ANCP) vs. Bureau of Internal Revenue (BIR)*] dated August 13, 2019.

Input VAT
The amount of VAT Input taxes claimed broken down into:

Beginning of the year	₱111,936,822
Current year's purchases:	
I. Goods other than for resale or manufacture	1,135,700
II. Services lodged under other accounts	2,084,708
Balance at the end of the year	₱115,157,230

Taxes and Licenses
Amounts paid in 2022 are shown below:

Real property taxes	₱180,000
Permits and clearances	123,096
	₱303,096

Withholding Taxes
Details of withholding taxes in 2022 follows:

	Paid	Accrued	Total
Expanded withholding taxes	₱427,530	₱35,966	₱463,496
Withholding taxes on compensation and benefits	1,363,281	101,403	1,464,684
	₱1,790,811	₱137,369	₱1,928,180

Documentary Stamp Tax (DST)
The Club has no transactions subject to DST in 2022.

Tax Cases
The Club does not have tax assessments which are either pending decision by the court or are being contested. In addition, the Club does not have any pending tax cases outside the administration of the BIR.

Annex E

Interim Financial Statements

30 June 2023

COVER SHEET

CS201412229

ALVIERA COUNTRY CLUB, INC.

(Company's Name)

Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga

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

Ma. Divina Y. Lopez
Contact Person

908-3852
Company Telephone Number

12 31
Month Day
Fiscal Year

17-Q

09 30
Month Day
Annual Meeting

Secondary License Type, If applicable

CFD
Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowing

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks: pls. Use black ink for scanning purposes

SEC Number: CS201412229
File Number: ___________

ALVIERA COUNTRY CLUB, INC.

(Company's Full Name)

Alviera Country Club, Brgy. Hacienda Dolores,
Porac, Pampanga

(Company Address)

(632) 908-3852

(Telephone Number)

June 2023

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **June 2023**

2. Commission identification number: **CS201412229**

3. BIR Tax Identification No. **008-805-693**

4. Exact name of issuer as specified in its charter: **ALVIERA COUNTRY CLUB, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **PORAC, PAMPANGA**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office: **Alviera Country Club, Brgy. Hacienda Dolores, Porac, Pampanga** Postal Code: **2008**

8. Issuer's telephone number, including area code **(632) 908-3852**

9. Former name, former address and former fiscal year, if changed since last report: **N/A**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Class B Shares, no par value	**2,600**
Class C Shares, no par value	**300**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [ ] No **[x]**

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

    ______________________ ______________________

12. Indicate by check mark whether the registrant:

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

    Yes **[x]** No [ ]

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

    Yes **[x]** No [ ]

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

ALVIERA COUNTRY CLUB, INC.

STATEMENTS OF FINACIAL POSITION
As of June 30, 2023 and December 31, 2022

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS		
Current Assets		
Cash (Note 4,10)	**₱7,551,728**	₱3,279,836
Accounts and other receivables (Note 5)	**8,918,409**	8,285,461
Inventories (Note 6)	**803,110**	609,926
Other current assets	**299,909**	308,706
Total Current Assets	**17,573,156**	12,483,929
Noncurrent Assets		
Property and Equipment (Note 7)	**765,349,737**	776,346,450
Advances to contractors	**144,884**	144,884
Input value-added tax	**117,232,717**	115,157,230
Other noncurrent assets	**1,269,784**	1,269,785
Total Noncurrent Assets	**883,997,122**	892,918,349
	₱901,570,278	₱905,402,279

LIABILITY AND EQUITY		
Current Liability		
Accrued and other payables (Note 8)	**₱158,732,418**	₱138,643,782
Noncurrent Liability		
Retention payable (Note 8)	**5,061,255**	7,065,259
Total Liabilities	**163,793,675**	145,709,041
Equity		
Capital Stock (Note 9)	**956,745,130**	956,745,130
Deficit	**(218,968,526)**	(197,051,893)
Total Equity	**737,776,604**	759,693,237
	₱901,570,277	₱905,402,278

See accompanying Notes to Financial Statements

ALVIERA COUNTRY CLUB, INC.

STATEMENTS OF COMPREHENSIVE INCOME
For the Six-Month Periods ended June 30 2023 and 2022

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
REVENUES		
Sale of goods (Note 11)	**₱10,681,620**	₱8,872,251
Membership dues (Note 11)	**13,573,087**	10,412,757
Service income (Note 11)	**1,586,644**	1,126,342
Interest income (Note 4)	**1,339,415**	10,859
Other income (Note 11)	**8,352**	11,295
	27,189,118	20,433,504
EXPENSES (Note 12)		
Cost of sales and services	**21,347,787**	23,800,863
Direct operating expenses	**20,469,921**	17,856,629
General administrative expenses	**7,286,373**	5,085,108
	49,104,081	46,742,600
LOSS BEFORE INCOME TAX	**21,914,963**	26,309,096
PROVISION FOR INCOME TAX (Note 4)	**1,670**	691
NET LOSS	**21,916,633**	26,309,787
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**₱21,916,633**	₱26,309,787

EPS not yet applicable as the Club incurred net loss from its operation.
See accompanying Notes to Financial Statements.

ALVIERA COUNTRY CLUB, INC.

STATEMENTS OF CHANGES IN EQUITY
For the Six-Month Periods ended June 30, 2023 and 2022

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
PAID-IN CAPITAL (Note 9)		
Common stock, no par value		
Class A - 3,700 shares	**₱296,055,755**	₱296,055,755
Class B - 2,600 shares	**546,620,750**	546,620,750
Class C - 300 shares	**63,071,625**	63,071,625
Class D - 200 shares	**50,997,000**	50,997,000
Balance at beginning and end of period	**956,745,130**	956,745,130
DEFICIT		
Balance at beginning of period	**(197,051,893)**	(146,393,940)
Net loss for the period	**(21,916,633)**	(26,309,787)
Balance at end of period	**(218,968,526)**	(172,703,727)
	₱737,776,604	₱784,041,403

See accompanying Notes to Financial Statements.

ALVIERA COUNTRY CLUB, INC.

STATEMENTS OF CASH FLOW
For the Six-Month Periods ended June 30, 2023 and 2022

	June 30, 2023 (Unaudited)	June 30, 2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱21,914,963)**	(₱26,309,096)
Adjustment for:		
interest income (Note 4)	**(8,352)**	(11,295)
Depreciation (Note 7)	**11,851,350**	12,077,121
Gain before changes in working capital	**(10,071,965)**	(14,243,270)
Increase in:		
Accounts and other receivables	**(632,947)**	(1,904,289)
Inventories	**(193,184)**	182,465
Other current assets	**8,797**	(93,486)
Input VAT	**(2,075,486)**	(2,903,139)
Increase in accrued and other payables	**5,088,636**	3,123,545
Cash used in operations	**(7,876,149)**	(15,838,174)
Interest received	**8,352**	11,295
Income tax paid	**(1,670)**	(691)
Net cash flows used in operating activities	**(7,869,467)**	(15,827,570)
CASH FLOWS FROM INVESTING ACTIVITY		
Additions to Property and equipment	**(854,637)**	(1,404,927)
Decrease in Retention payable	**(2,004,004)**	–
Net cash flows used in investing activities	**(2,858,641)**	(1,404,927)
CASH FLOWS FROM FINANCING ACTIVITY		
Advances from Parent Company	**15,000,000**	13,500,000
Net cash flows provided by financing activities	**15,000,000**	13,500,000
NET INCREASE (DECREASE) IN CASH	**4,271,892**	(3,732,497)
CASH AT BEGINNING OF PERIOD	**3,279,836**	7,660,125
CASH AT END OF PERIOD	**7,551,728**	3,927,628

See accompanying Notes to Financial Statements.

Alviera Country Club, Inc.
Notes to Financial Statements

1. Basis of Financial Statement Preparation

The unaudited condensed financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited financial statements do not include all of the information and disclosures required in the December 31, 2022 annual audited financial statements, and should be read in conjunction with the annual financial statements as of and for the year ended December 31, 2022.

The unaudited financial statements of the Club have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

The unaudited condensed financial statements have been prepared on historical cost basis and are presented in Philippine Peso (₱), the Club's functional currency. All amounts are rounded off to the nearest peso unless otherwise indicated.

2. Accounting Policies

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Club has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective

Unless otherwise indicated, the adoption did not have any significant impact on the financial statements of the Club.

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

  - Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for derecognition of financial liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

    The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Club does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Club intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Club presents assets and liabilities in the statement of financial position based on a current and noncurrent classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Cash

Cash includes cash on hand and in banks. Cash on hand are funds readily available into cash. Cash in banks is stated at face amount and earns interest at the prevailing bank deposit rates.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Club.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Club uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Club determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Club has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Club's business model for managing them. The Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Financial assets that do not contain a significant financing component or for which the Club has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Club's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets

in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

As of December 31, 2022, and 2021, the Club's financial assets pertain to financial assets at amortized cost (debt instruments).

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Club's financial assets at amortized cost includes "Cash in bank" and "Accounts and other receivables".

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Club has transferred substantially all the risks and rewards of the asset, or (b) the Club has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Club has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Club continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Club also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Club has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Club could be required to repay.

<u>Impairment of Financial Assets</u>

The Club recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Club expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Club determines whether to apply the general approach or the simplified approach when calculating the provision for ECL. Under the general approach, at each reporting date, the Club recognizes a loss allowance based on either 12-month ECLs or Lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. Under the simplified approach, the changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL.

For cash in bank, the Club applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Club's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

For other financial assets such as accounts and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Determining the stage for impairment

At each reporting date, the Club assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Club considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

<u>Financial Liabilities</u>
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Club's financial liabilities include Accounts and other payables, except government payables, contract liabilities and payables to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost (loans and borrowings)

Financial liabilities at amortized cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of comprehensive income.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in statements of comprehensive income.

<u>Offsetting of Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, to realize the asset and settle the liability simultaneously. The Club assesses that it has a currently enforceable right of offset if the right is not contingent on a future event and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Club and all of the counterparties.

<u>Inventories</u>

Inventories consist of food and beverage. Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using weighted average method. NRV of food and beverage is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale. In determining NRV, the Club consider any adjustment necessary for spoilage, breakage and obsolescence.

Value-added Tax (VAT)

Revenue, expenses and assets are recognized, net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Input VAT on goods purchased on or after January 1, 2022 will be fully recognized outright and claimed as input tax credits against output tax.

Advances to Contractors

Advances to contractors pertain to the down payments paid by the Club to its contractors. These are carried at cost less impairment, if any, and are recouped upon every progress billing payment depending on the percentage of accomplishment.

Land

Land consists of properties for future development and is carried at cost less any impairment in value. The initial cost of land comprises its purchase price and any directly attributable costs of bringing the land to the condition necessary for its intended use.

Property and Equipment

Property and equipment, except land, are stated at cost net of accumulated depreciation, amortization and accumulated impairment losses, if any. Land held for use in operations is carried at cost less any impairment losses.

The initial cost of property and equipment consists of its purchase price including import duties and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Cost also includes the cost of replacing part of such property and equipment when the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance are recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciations are computed on a straight-line basis over the estimated useful lives of the property and equipment. The estimated useful lives of the property and equipment are as follows:

Asset Type	Number of Years
Building	40
Facilities, furniture, fixtures and equipment	3 to 5
Transportation equipment	3 to 5

The Club determines depreciation for each significant part of an item of property and equipment.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Fully depreciated property and equipment are retained in the books until these are no longer in use.

Impairment of Nonfinancial Assets

Advances and other noncurrent assets

The Club provides allowance for impairment losses on advances and other noncurrent assets when they can no longer be realized. The amounts and timing of recorded expenses for any period would differ if the Club made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease advances and other noncurrent assets.

Recovery of impairment losses recognized in prior year is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or has decreased. The recovery is recorded in the statement of income. However, the increase in carrying amount of an asset due to recovery of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined had there been no impairment loss recognized for that asset in prior year.

Property and equipment

The Club assesses at each reporting date whether there is an indication that property and equipment may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Club estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value-in-use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

Equity

Paid-in Capital

Paid-in Capital is measured at par value for all shares issued. When the Club issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds and stated value is credited to "Additional paid-in capital" account. Direct costs incurred related to the issuance of new shares are chargeable to equity account, net of related tax benefits.

Deficit

Deficit represents accumulated losses of the Club. A deficit is not an asset but a deduction from equity.

Revenue from Contracts with Customers

The Club's revenue from contracts with customers primarily consist of membership dues, service income and sale of goods. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Club expects to be entitled in exchange for those goods or services. The Club has generally concluded that it is the principal in its revenue arrangements.

The following are the Club's performance obligations:

Membership dues

Revenue from membership dues is recognized over the time the members are provided access to the Club's room accommodation, golf course, sports complex, game rooms, restaurants and other amenities. Transaction price is determined to be the BOD-approved rate for monthly membership dues. Each monthly membership dues are considered as a single performance obligation, therefore it is not necessary to allocate the transaction price. Any advance payments are recorded under "Contract liabilities" account in the statements of financial position.

Service income

Service income includes revenue from providing room accommodation, guest fees and income from the use of the Club's facilities and amenities such as golf course, sports complex, game rooms and other Club amenities. Revenue is recognized over the time the services are rendered and/or facilities and amenities are used.

Sale of goods

Revenue from sale of food and beverages and merchandise are recognized when control of the goods is transferred to the customers, generally when goods are delivered to and accepted by the customers.

<u>Contract Balances</u>

Trade receivables

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is recognized if a payment is received or payment is due (whichever is earlier) from a customer before the Club transfers the related goods or services. Contract liabilities are recognized as revenue when the Club performs under the contract. Membership dues and consumables collected in advance are recognized as contract liabilities in the statements of financial position.

<u>Other Income Recognition</u>

Interest income

Interest income is recognized as it accrues using the effective interest method.

Other income

Other income is recognized when incurred.

Expense Recognition

Expense is recognized when decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted as at the end of the reporting period.

Current income tax for current and prior periods shall, to the extent unpaid, be recognized as a liability and is presented as income tax payable in the statements of financial position. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset and is presented as part of other current assets in the statements of financial position.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary differences can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Uncertainty over income tax treatments

The Club assesses at the end of each reporting period whether it has any uncertain tax treatments by reviewing the assumptions about the examination of tax treatments by the taxation authority, determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and considering changes in relevant facts and circumstances. The Club then evaluates how likely is it that a certain tax treatment will be accepted by the taxation authority. If it is probable that the taxation authority will accept a certain tax treatment, the Club concludes that it has no uncertain tax treatment and will measure tax amounts in line with the income tax filings. If it is not probable that the taxation authority will accept a certain tax treatment, the Club measures tax amounts based on the 'most likely amount' method (better predicts uncertainty if the possible outcomes are binary or are concentrated on one value) or 'expected value' method (better predicts uncertainty if there is a range of possible outcomes that are neither binary nor concentrated on one value). The Club presents uncertain tax liabilities as part of current tax liabilities or deferred tax liabilities.

Provisions

Provisions are recognized when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Club expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

The Club has no provisions as of March 31, 2023.

Contingencies

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

The Club has no contingent assets and liabilities as of March 31, 2023.

Events After the Reporting Period

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Club's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are non-adjusting events are disclosed in the financial statements when material.

There are no events after balance sheet date that require adjustment in the financial statements or its accompanying notes as of June 30, 2023.

3. Management's Significant Accounting Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS requires the Club to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used are based on management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from the estimates and assumptions used. The effect of any change in estimates or assumptions will be reflected in the financial statements when they become reasonably determinable.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Recognizing deferred tax assets
The Club reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Club will generate sufficient taxable income to allow all or part of the deferred tax assets to be utilized. The Club looks at its projected performance in assessing the sufficiency of future taxable income.

4. Cash

This account consists of:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash in Bank	**₱7,501,728**	₱ 3,229,836
Petty Cash Fund	**50,000**	50,000
Balance at end of year	**₱7,551,728**	₱ 3,279,836

Cash in bank refers to savings account maintained by the Club with a local bank. Interest income earned amounted to ₱8,352 and ₱11,295 during the first half of 2023 and 2022, respectively. Corresponding final tax amounted to ₱1,670 and ₱691.

5. Accounts and Other Receivables

This account consists of:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Trade receivables	**8,520,601**	7,531,136
Due from related parties (Note 10)	**290,730**	290,730
Receivable from employees	**107,078**	463,595
Balance at end of year	**8,918,409**	8,285,461

Trade receivables pertain mainly to sales generated by the Club's restaurant and sports and recreation facilities. These are collectible and billed to members within one month from consumption and usage.

Receivable from Parent Company pertain to taxes paid by the Club on behalf of the Parent Company and trade receivable earned from the Parent Company's usage of the Club's facilities.

Receivable from employees represent advances for travel and other expenses arising in the ordinary course of business. These are noninterest-bearing and are recoverable through expense liquidation within one (1) month from grant date.

6. Inventories

This includes food and beverages items and supplies consumed in the production process of food and beverages in the Club's restaurant and cafes.

As of June 30, 2023 and December 31, 2022, inventories amounted to ₱0.80 million and ₱0.61 million respectively. Inventories are stated at cost, which is lower than their net realizable value.

Food and beverages charged to costs of operations amounted to ₱3.58 million as of June 30, 2023 (see Note 11).

7. Property and Equipment

Movements in this account are as follows:

	Land (Note 11)	Building	Facilities, Furniture, Fixtures and Equipment	Transportation Equipment	Total
Cost					
Balance at beginning of period	₱14,429,178	₱818,420,257	₱23,199,052	₱3,802,541	₱859,851,028
Additions	–	–	854,636	–	854,636
Balance at end of period	₱14,429,178	₱818,420,257	₱24,053,688	₱3,802,541	₱860,705,664
Accumulated Depreciation					
Balance at beginning of period	₱–	₱69,906,730	₱10,745,941	₱2,851,907	₱83,504,578
Depreciation	–	10,206,329	1,038,885	606,136	11,851,350
Balance at end of year	₱–	₱80,113,059	₱11,784,826	₱3,458,042	₱95,355,928
Net Book Value	₱14,429,178	₱ 738,307,198	₱12,268,862	₱344,499	₱765,349,736

8. Accrued and Other Payables

This account consists of:

	June 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Due to related parties	**₱135,378,038**	₱ 119,471,298
Payable to government agency	**8,734,056**	6,416,745
Contract liability	**7,716,783**	5,523,018
Accounts Payable	**4,491,967**	1,995,917
Accrued payable	**2,411,574**	5,236,804
	₱158,732,418	₱ 138,643,782

Due to related parties largely pertains to advances, utilities, and communication expense.

Contract liability pertains to payments received from member for future consumption of Club's services and facilities, monthly membership dues received by the Club in advance, deposits from members and guests for booked functions and events.

Accounts payable pertains to other construction services and purchase of inventories. These are non-interest bearing and are settled within one year.

Accrued expenses pertain to professional fees and contracted services incurred by the Club.

Payables to government agencies pertains to withholding taxes payable to Bureau of Internal Revenue (BIR) and statutory employee remittances to other government agencies.

Retention payable

The Club's retention payable as of June 30, 2023 amounted ₱5.06 million and December 31, 2022 amounted ₱7,065,259. These includes amounts held against contractors which are settled upon completion of the construction projects.

9. Equity

The Club has an authorized capital stock of 6,800, no par shares. The details of the number of authorized and issued shares of the Club as of June 30, 2023 follow:

	Authorized	Issued
Class A	3,700	3,700
Class B	2,600	2,600
Class C	300	300
Class D	200	200
	6,800	6,800

Class A shares
Class A shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Class A shares are issued to the original subscribers of the Club and shall have the status of Founders' Shares with all the rights and privileges a subscribed to Founders' shares. Founders' shares are subjected to the rights and restrictions within a period of five (5) years from date of incorporation: (a) has sole and exclusive right to nominate persons who shall serve as director of the Club; (b) are prohibited from selling and transferring founders' share to third persons; (c) usage without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

Class B shares
Class B shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class B shares shall be entitled to one (1) usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class B shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class C shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class C shares
Class C shares shall be held by a corporation, partnership or association, irrespective of nationality or citizenship. Each Class C shares shall be entitled to two (2) usage rights which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class C shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class D shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

Class D shares
Class D shares shall be held by an individual, corporation, partnership or association, irrespective of nationality or citizenship. Each Class D shares shall be entitled to one (1) usage right which shall be exercised by the holder thereof or its nominee in the manner set forth in the By-laws of the Club.

Holders of Class B shares shall not enjoy preemptive rights to (a) subscribe to any or all original issuance of Class A shares, Class B shares, and Class C shares of the Club, and (b) to any sale, assignment or transfer of any class of treasury shares.

In view of the issuance of Founders' shares, the voting rights pertaining to Class B, C and D shares shall be suspended for the period commencing from the date of incorporation of the Club up to and including the date prior to the fifth anniversary of such date of incorporation. Upon the expiry of such five (5)-year period, the Class A shares shall automatically lose their character as Founders' Shares and the holder thereof shall be deemed to be a holder of a regular Class A share, whereby the voting rights of all the other classes of shares in the Club.

Upon the incorporation of the Club, NCI, Parent Company, invested the amount of ₱133.00 million in cash consideration for the issuance of club shares, at its initial issue price of ₱76,000 per share. Furthermore, NCI paid for the documentary stamp tax related to the Club's incorporation amounting to ₱0.66 million.

The Parent Company is authorized to offer the club shares to the public by way of secondary offering. As of June 30, 2023 and December 31, 2022, the Parent Company sold 9.43% and 9.29% of its total shares from the Club, respectively. Ownership of these shares are transferred once all payments are fully paid.

Capital Management
Cash is maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds to support future expansion and growth in its business operations. The Club manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for managing capital during the periods ended June 30, 2023 and 2022.

The Club's primary source of capital is its capital stock amounting to ₱956.75 million as of June 30, 2023 and December 31, 2022.

10. Related Party Transaction

The Club in its regular conduct of business has entered into transactions with related parties. Parties are considered to be related if, among others, one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions, the parties are subject to common control or the party is an associate or a joint venture.

Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

Terms and Conditions of Transactions with Related Parties

In the ordinary course of business, the Club has transactions with related parties. There have been no guarantees provided or received for any related party receivables or payables. These accounts are due based on normal credit terms and demandable, noninterest-bearing and are generally unsecured. Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Except as otherwise indicated, the outstanding accounts with related parties shall be settled in cash. The transactions are made at terms and prices agreed upon by the parties.

The following table shows the related party transactions included in the financial statements:

	Nature	Volume of transactions 2023	2022	Outstanding balance 2023	2022	Terms	Conditions
NCI	Due to Parent Company	**15,000,000**	35,138,084	**128,019,893**	113,019,893	Due and demandable Noninterest bearing	Unsecured
	Receivable from Parent Company	**-**	(1,837,407)	**-**	-	Due and demandable Noninterest bearing	Unsecured
ALVEO	Due to related parties	**-**	-	**81,537**	81,537	Due and demandable Noninterest bearing	Unsecured
ALI	Due to related parties	**1,008,032**	1,171,284	**4,299,358**	3,291,326	Due and demandable Noninterest bearing	Unsecured
	Due from related parties	**-**	(515,892)	**290,730**	290,730	Due and demandable Noninterest bearing	Unsecured
Makati Development Corp (MDC)	Due to related parties	**-**	2,320,874	**2,320,874**	2,320,874	Due and demandable Noninterest bearing	Unsecured
APMC	Parking fees	**-**	(13,020)	**-**	-	Due and demandable Noninterest bearing	Unsecured
Manila Water	Utilities expense	**3,676**	(715,472)	**89,778**	86,102	Due and demandable Noninterest bearing	Unsecured
Globe Telecom	Communication expense	**(73,671)**	317,107	**335,758**	409,429	Due and demandable Noninterest bearing	Unsecured
Innove Communications Inc	Communication expense	**(4,756)**	235,597	**230,841**	235,597	Due and demandable Noninterest bearing	Unsecured
Anvaya Cove Golf &Sports Club, Inc.	Due to related parties	**(26,541)**	26,541	**-**	26,541	Due and demandable Noninterest bearing	Unsecured
Total		**₱-**	₱-	**₱135,668,768**	₱119,762,028		

The following describes the nature of the material transactions of the Club with related parties as of June 30, 2023 and December 31, 2022:

a. The Club, in the normal course of business, acquired 5.62 hectares of land in Porac, Pampanga in 2014 from its related party, NCI, for the future construction site of the Club's premises. The Club recognized the property as "Land" at its purchase price plus directly attributable taxes amounting to ₱14.43 million.

b. Receivable from ALI pertains to its consumption and usage of the Club's facilities with charges amounting to ₱0.29 million as of June 30, 2023 and December 31, 2022.

c. Outstanding balance to Manila Water Philippine Ventures Inc. amounting to ₱0.09 million as of June 30, 2023 and December 31, 2022 pertains to water expense incurred by the Club.

d. Outstanding balance to Globe Telecom Inc. amounting to ₱0.34 million as of June 30, 2023 and ₱0.41 million December 31, 2022 pertains to communication expense incurred by the Club.

e. As of June 30, 2023 and December 31, 2022, the Club maintains its cash in bank account with Bank of the Philippine Islands, a related party, amounting to ₱5.74 million and ₱2.71 million, respectively.

f. The key management personnel of the Club are its BOD. In 2023 and 2022, no compensation has been granted by the Club to them.

11. Revenue and Cost of Sales

Revenue account consists of:

	June 30, 2023 (Unaudited)	June 30, 2022 (unaudited)
Sale of goods	**₱13,573,087**	₱10,412,757
Membership dues	**10,681,620**	8,872,251
Service income:		
Guest fees	**351,854**	657,243
Sports and complex revenue	**444,612**	201,099
Spa	**57,857**	–
Villa	**732,321**	268,000
Other income	**1,339,415**	10,859
	₱27,180,766	₱20,422,208

Sales of goods pertains to consumption of food and beverage in the Clubs restaurant.

Membership dues pertains to maintenance fee paid by its members on a monthly basis.

Other income mostly pertains to cash overage and expired consumables.

Cost of sales and services for the period ended June 30 consist of:

	June 30, 2023 (Unaudited)	June 30, 2022 (unaudited)
Cost of goods (Note 6)	₱5,125,064	₱4,949,314
Cost of services	16,222,723	18,851,549
	₱21,347,787	₱23,800,863

Direct operating expenses consist of:

	June 30, 2022 (unaudited)	June 30, 2022 (unaudited)
Depreciation Expense (Note 7)	**₱11,851,350**	₱12,077,121
Contracted Services	**4,854,246**	2,689,245
Utilities Expense	**1,672,663**	1,299,568
Repairs and maintenance	**694,988**	90,382
Salaries and wages	**652,827**	499,592
Transportation and travel	**187,880**	190,891
Marketing	**87,537**	130,705
Representation	**67,602**	-
Insurance expense	**-**	41,913
Other expenses	**400,828**	837,212
	₱20,469,921	₱17,856,629

Contracted services mostly pertain to services rendered by the Club's staff and security personnel.

Utilities expense pertains to electricity and water consumption.

Representation pertains to expenses incurred as complimentary to customers or suppliers.

Repairs and maintenance pertain to expenses incurred for the upkeep of properties of the Club.

Transportation and travel pertain to fares, toll fees, fuel and accommodation incurred during official business trip of the employees.

Other expenses mostly pertain to cost of spoilage and daily meals given to employees.

General administrative expenses consist of:

	June 30, 2023 (unaudited)	June 30, 2022 (unaudited)
Salaries and other benefits	**₱6,551,128**	₱4,704,417
Taxes and licenses	**139,401**	123,096
Professional fees	**124,771**	128,499
Supplies	**40,571**	-
Other expenses	**430,502**	129,095
	₱7,286,373	₱5,085,107

Salaries and other benefits pertain to salaries and mandatory government benefits to direct employees of the Club.

Professional fees pertain to incurred legal fees and audit.
Taxes and licenses pertain to payment of real property taxes and permits of the Club.

Supplies pertains to office supplies used for administrative purposes.

Other expenses mainly pertain to miscellaneous fees.

12. Financial Assets and Financial Liabilities

Fair Value Information
The carrying values of the Club's cash, receivable from a related party, and accrued and other payables approximate their fair values due to the short-term nature of transactions involving these financial instruments.

As of June 30, 2023 and 2022, the Club has no financial asset and liability carried at fair value.

Financial Risk Management Objectives and Policies
The Club's principal financial instruments are of the nature of loans and receivables and other financial liabilities. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The main risk arising from the use of the financial instruments are credit risk and liquidity risk.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The investment of the Club's cash resources is managed so as to minimize risk while seeking to enhance yield. The Club's holding of cash in bank exposes the Club to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Club consequently suffers financial loss. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing.

Bank limits are established on the basis of liquidity, capital adequacy and financial stability. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

The Club's maximum exposure to credit risk as of June 30, 2023 is equal to the carrying value of its financial assets. These financial assets are neither past due nor impaired and are graded as high.

Cash - graded based on the nature of the counterparty.

Receivables – high grade pertains to receivables with no default in payment. The Club transacts only with related parties and recognized creditworthy third parties. Receivable balances are monitored on an on-going basis bringing the Club's exposure to bad debts to a minimum level. The maximum exposure to credit risk from these financial assets arise from the default of the counterparty with a maximum exposure equal to their carrying amounts.

Liquidity risk
Liquidity risk is defined by the Club as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Club that make it

difficult for the Club to raise the necessary funds or that forces the Club to raise funds at significantly higher interest rates than usual.

The Club manages liquidity risk by maintaining a balance between continuity of funding and flexibility. The Club maintains a level of cash deemed sufficient to finance its operations. As part of its liquidity risk management, the Club regularly evaluates its projected and actual cash flows.

As of June 30, 2023 and 2022, the Club's financial assets and financial liabilities have a maturity of less than one year.

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

<u>Review of 1H 2023 vs 1H 2022</u>

The Club incurred a net loss after tax of ₱21.92 million in the first half of 2023, with a 17% decrease from ₱26.31 million net losses during the first half of 2022. The significant increase is mainly driven by the commencement of Club's commercial operations.

As of June 30, 2023, the Club's accounts and other payables are due within one year.

Business segment

The Club will serve its members through its amenities. Food and Banquet, memberships and other amenities related to leisure are being offered. The Club commenced its commercial operations on March 28, 2019.

Expenses

Total expenses amounted to ₱34.67 million during the first half of 2023, 33% higher than the ₱37.25 million posted in the same period last year.

Project and Capital Expenditure

The Club spent a total of ₱860.71 million for project and capital expenditures of the Club since inception. All of the capital expenditures were spent on construction and fit-out of the Country Club.

Financial Condition

Cash stood at ₱7.55 million, resulting in a Current Ratio of 0.11:1. The Club's funds were sourced from revenue generating activities and advances from NCI to support the Club's operating requirements. As of June 30, 2023, advances provided by the Parent Company amounted to ₱128.02 million.

Liquidity Risk

The Club manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover working capital requirements. The Club maintains a level of cash deemed sufficient to finance its operations. As part of its liquidity risk management, the Club regularly evaluates its projected and actual cash flows.

Credit Risk

The Club's holding of cash exposes the Club to credit risk of the counterparty if the counterparty is unwilling or unable to fulfill its obligations, and the Club subsequently suffers financial loss. Credit risk management involves dealing only with counterparties for which credit limits have been established.

The Club's maximum exposure to credit risk as of June 30, 2023 is equal to the carrying value of its cash in bank. This financial asset is graded as high.

Causes of any material changes (+/- 5% or more) in the financial statements

Income Statement items – June 30, 2023 versus June 30, 2022

33% increase in Revenue
Material changes in the income statement are mainly attributable to the Club's adaptation of new protocols and practice during the pandemic. During 2023, the Club focused its revenue generation from its specialty restaurants, private dining, and major events and start to offer the big events and banquet which significantly increase as compare to same period in 2022 reason for the 30% increase in sale of goods. Service income generated from sports and recreation significantly increased by 41% due to the lesser limitations set by the Club for its facilities in connection with the changes in the IATF protocol. Additional revenues were also derived from the rental of villa starting last quarter of 2022. The foot traffic in 2023 from January to June has increased by 24% as compared to the same period in 2022.

7% net increase in Total Expenses
This resulted to the material increase in salaries and employee benefits in 2023 in which full manpower complement was place as a way of coping up with the increase in foot traffic. Due to various economic circumstances that is happening around the world, prices on the various raw materials went up which has affected club's expenditures for the first half of 2023: Repairs and maintenance has increased by 669% mostly from increase on vehicle maintenance cost; Representation has increased by 96%, as result of fuel price hike in the previous months; Taxes and licenses also increased by 13% due to higher business taxes for 2023; Operating supplies slightly declined by 13% as expenses were advanced in Q1 of 2023; Postal & communication decreased by 79% due to one discontinued account from Innove, internet provider, in 2023; and decrease in marketing expenses of 33% driven by lower spending for direct marketing and ads.

Balance Sheet items – June 30, 2023 versus December 31, 2022

130% increase in Cash
Significant cash collections were resulted during the first half of operations and additional advances from parent company to support club's operation.

8% Increase in Accounts and Other Receivables
Accounts and other receivables pertain to the remaining uncollected charge sales for the period. These are collectible and billed to members within one month from consumption and usage. The continuous increase in the no. of activated members, from 561 members as of the end of 2022 to 583 members, caused the increase in accounts receivable.

32% Increase in Inventories
Inventories includes food and beverages items and supplies consumed in the production process of food and beverages in the Club's restaurant and cafes. With the increase in foot traffic and in anticipation of additional operating activities club maintains a much higher inventory at the end of the first half of 2023.

14% increase in Accounts and Other Payables
Additional advances received from the Parent Company amounting to ₱15.0 million during the six-month period ended June 30, 2023 contributed to the material increase in Accounts and Other Payables.

28% decrease in Retention Payables
Payment to contractors amounting to ₱2.0 million for landscape, drainage and irrigation works.

PART II – OTHER INFORMATION

Item 3. 1H 2023 Developments

A.	**New project or investments in another line of business or Corporation**	None	
B.	**Composition of Board of Directors (as of June 30, 2023)**	Bernard Vincent O. Dy	Chairman
		Leonardo L. Leonio	Vice-Chairman
		Robert S. Lao	President
		Clarissa Teresita L. Asuncion	Treasurer
		Augusto D. Bengzon	Director
		Jessie D. Cabaluna	Director
		Carlo Leonardo N. Leonio	Director
		Lawrence Conrad N. Leonio	Director
		Jennyle S. Tupaz	Director
		Oscar S. Reyes	Director
		Jose P. De Jesus	Director
C.	**Performance of the corporation or result/progress of operations**	Please see unaudited financial statements and management's discussion on results of operation	
D.	**Declaration of dividends**	There will be no declaration of dividends since the primary purpose of the Club is to construct, maintain, and carry on the business of a sports and leisure club and its facilities for the amusement, entertainment, recreational and athletic activities, on a non-profit basis.	
E.	**Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements**	None	
F.	**Offering rights, granting of Stock Options and corresponding plans therefore**	None	
G.	**Segment revenue and segment results**	None	

H.	**Acquisition of additional mining claims or other capital assets or patents, formula, real estate**	None
I.	**Other information, material events or happenings that may have affected or may affect market price of security**	None
J.	**Transferring of assets, except in normal course of business**	None

Item 4. Other Notes to 1H 2023 Operations and Financials

K.	**Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents**	None
L.	**Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period**	None
M.	**New financing through loans / Issuances, repurchases, and repayments of debt and equity Securities**	None
N.	**Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period**	None
O.	**The effect of changes in the composition of the issuer during the interim period including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructuring, and discontinuing operations**	None

P.	**Changes in contingent liabilities or contingent assets since the last annual balance sheet date**	None
Q.	**Other material events or transactions during the interim period**	Commencement of operations on March 28, 2019
R.	**Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation**	None
S.	**Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period**	None
T.	**Material commitments for capital expenditures, general purpose and expected sources of funds**	None
U.	**Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations**	None
V.	**Significant elements of income or loss that did not arise from continuing operations**	None
W.	**Causes of any material change/s from period to period in one or more line items of the financial statements**	Please see Notes to Financial Statements

X.	**Seasonal aspects that had material effect on the financial condition or results of operations**	The Club does not show any seasonality.
Y.	**Disclosure not made under SEC Form 17-C**	None

Item 5. Performance Indicators

The table below sets forth the comparative performance indicators of the Club:

	June 30, 2023	December 31, 2022
Liquidity ratio		
Current ratio	**0.11:1**	0.09:1
Solvency ratio		
Debt to equity ratio	**0.22:1**	0.19:1
Financial leverage ratio		
Asset to equity ratio	**1.22:1**	1.19:1

Ratio for Interest Coverage is not applicable to the Club since it has no outstanding debt and interest expense as of June 30, 2023.

SIGNATURE

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

Issuer: **ALVIERA COUNTRY CLUB, INC.**

By:

Ma. Divina Y. Lopez
Authorized Signatory
Comptroller and Chief Finance Officer
Date: August 14, 2023

ALVIERA COUNTRY CLUB, INC.

FINANCIAL SOUNDNESS INDICATORS

AS AT AND FOR THE PERIOD ENDED JUNE 30, 2023

	June 30, 2023	December 31, 2022
Liquidity ratio		
Current ratio	**0.11:1**	0.09:1
Solvency ratio		
Debt to equity ratio	**0.22:1**	0.19:1
Financial leverage ratio		
Asset to equity ratio	**1.22:1**	1.19:1