

COVER SHEET

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(Company's Full Name)

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

|                                |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |  |  |  |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------------------|--|--|--|--|--|--|--|--|--|
| MARIA PAULA G. ROMERO-BAUTISTA |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 7793-9000                |  |  |  |  |  |  |  |  |  |
| Contact Person                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Company Telephone Number |  |  |  |  |  |  |  |  |  |

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| Fiscal Year |   |     |   |     |  |  |  | Annual Meeting |   |     |   |

Secondary License Type, if Applicable

|                           |   |   |   |                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| Dept. Requiring this Doc. |   |   |   | Amended Articles Number/Section |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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|                           |  |  |  |  | Total Amount of Borrowings |  |  |  |  |         |  |  |  |  |  |  |  |  |  |
|                           |  |  |  |  | Domestic                   |  |  |  |  | Foreign |  |  |  |  |  |  |  |  |  |
| Total No. Of Stockholders |  |  |  |  |                            |  |  |  |  |         |  |  |  |  |  |  |  |  |  |

To be accomplished by SEC Personnel concerned

|               |  |  |  |  |  |  |  |  |  |         |  |  |  |  |  |  |  |  |  |
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STAMPS

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## NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the Annual Stockholders' Meeting of **ANVAYA COVE BEACH AND NATURE CLUB, INC.** will be conducted virtually via Zoom on July 25, 2025, Friday, at 9:00 A.M. with the following:

### AGENDA

1. Call to order
2. Certification of notice and determination of quorum
3. Approval of the minutes of the previous meeting
4. Ratification of the actions of the Board of Directors and Management beginning July 26, 2024 until July 25, 2025
5. President's Report and approval of the 2024 audited financial statements
6. Election of directors
7. Appointment of external auditor and fixing of its remuneration
8. Consideration of such other business that may properly come before the meeting
9. Adjournment

Only stockholders of record as of **June 13, 2025** are entitled to notice of, and to vote at, this meeting.

The Board of Directors, during its meeting on June 4, 2025, approved the holding of the annual stockholders' meeting in a fully virtual format. Stockholders may only attend the meeting by remote communication whether through proxy or otherwise, or by voting *in absentia*. Stockholders intending to participate by remote communication should notify the Company on or before **July 16, 2025**.

Duly accomplished proxies shall be submitted on or before **July 15, 2025** to the Office of the Corporate Secretary by email to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com). Validation of proxies is set for **July 18, 2025** at 9:00 o'clock in the morning.

Stockholders may vote by remote communication, or *in absentia* subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* will be set forth in the Information Statement.

All communications should be sent to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) on or before the designated deadlines.

Makati City, July 19, 2025.

  
**MARIA PAULA G. ROMERO-BAUTISTA**  
*Assistant Corporate Secretary*

## PROXY

### 1. IDENTIFICATION

This Proxy, when properly executed, will be voted in the manner herein directed by the stockholder(s) in connection with the Annual Stockholders' Meeting of **ANVAYA COVE BEACH AND NATURE CLUB, INC.**, to be held on July 25, 2025, 9:00 A.M. via Zoom.

### 2. INSTRUCTIONS

The undersigned stockholder of **ANVAYA COVE BEACH AND NATURE CLUB, INC.** (the "Company") hereby appoints \_\_\_\_\_, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company on **July 25, 2025** and at any of the adjournments thereof for the purpose of acting on the matters stated below.

Please place an "X" in the box below how you wish your votes to be cast in respect of the matters to be taken up during the meetings. If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matters stated below and as set out in the notice, and for such other matters as may properly come before the meeting in the manner described in the Information Statement and as recommended by the Chairman.

#### Annual Stockholders' Meeting

- |   |  |
|---|--|
| 1. Approval of minutes of previous meeting<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain   | 5. Appointment of PwC Isla Lipana & Co. as the external auditor and fixing of its remuneration<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain        |
| 2. Ratification of the acts of the Board of Directors and Management beginning July 26, 2024 until July 25, 2025<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain | 6. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.<br><input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. President's Report<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain  |  |

#### 4. Election of Directors

|                               | No. of Votes |
|-------------------------------|--------------|
| George Israel C. Aquino       | _____        |
| Augusto D. Bengzon            | _____        |
| Jocelyn F. de Leon            | _____        |
| Paulloolino A. Elauria        | _____        |
| Dindo R. Fernando             | _____        |
| Joseph Carmichael Z. Jugo     | _____        |
| Jose Eduardo A. Quimpo II     | _____        |
| Paolo O. Viray                | _____        |
| <u>Independent Directors:</u> |              |
| Rex Ma. A. Mendoza            | _____        |
| Jesus Emmanuel M. Yujuico     | _____        |
| Maria Victoria C. España      | _____        |

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER /  
AUTHORIZED SIGNATORY

\_\_\_\_\_  
NO. OF SHARES HELD

\_\_\_\_\_  
DATE

A scanned copy of this proxy must be submitted to the corporate secretary at [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) on or before **July 15, 2025**, the deadline for submission of proxies. For individual stockholders, please submit with this Proxy the appropriate Certification from your broker/trading participant as to your stock ownership as of Record Date and sign this form. 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 this form, and the appropriate Certification from your broker/trading participant as to your stock ownership as of Record Date.

### **3. REVOCABILITY OF PROXY**

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. The proxy may be revoked by the stockholder executing the same at any time by submitting to the corporate secretary a written notice of revocation not later than the start of the meeting. A proxy is also considered revoked if the stockholder participates in the meeting and submits his/her/its ballot. This proxy shall be deemed revoked after the right granted is exercised during the Annual Stockholders' Meeting of the company on September 30, 2024. Shares represented by an unrevoked proxy will be voted as authorized by the stockholder.

Stockholders participating by remote communication will not be able to vote unless they register through the Corporate Secretary at [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) or authorize the Chairman of the meeting to vote as Proxy, on or before **July 16, 2025**.

### **4. PERSON MAKING THE SOLICITATION**

The Company is not soliciting proxy.

### **5. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

The directors and officers do not have a substantial interest, direct or indirect, by security holdings or otherwise, on any matter to be acted upon other than election of the Board of Directors for the ensuing year. The Company has not received any written information from anyone seeking to oppose any action to be taken up in the Annual Stockholders' Meeting of the Company.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR 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.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF

ANVAYA COVE BEACH AND NATURE CLUB, INC.  
(the “Registrant”, “Corporation” or “Club”)

pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:

- ☐ Preliminary Information Statement  
☒ Definitive Information Statement

2. Name of Registrant as specified in this Charter:

ANVAYA COVE BEACH AND NATURE CLUB, INC.

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

MORONG, BATAAN, PHILIPPINES

4. SEC Identification Number: CS200502332

5. BIR Tax Identification Code: 005-862-442

6. Address of Principal Office: Anvaya Cove  
Municipality of Morong, Bataan  
2108 Philippines

7. Registrant’s telephone number, including area code: (632) 77939000

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

Date - July 25, 2025  
Time - 9:00 A.M.  
Place - To be conducted virtually through Zoom  
*Place of Meeting*  
*per By-Laws* - Anvaya Cove, Morong, Bataan 2108

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

July 4, 2025

**10. In case of Proxy Solicitation:**

|   |     |
|---|-----|
| <b>Name of Person Filing the Statement/Solicitor:</b> | N/A |
| <b>Address and Telephone Number:</b>                  | N/A |

**11. Securities registered pursuant to Section 8 of the SRC**

**a. Authorized Capital Stock**

| <u>Title of Each Class</u> | <u>Authorized Capital Stock</u> |
|----------------------------|---------------------------------|
| Common – Class B           | 1,950                           |
| Common – Class C           | <u>500</u>                      |
| <b>TOTAL</b>               | <b><u>2,450</u></b>             |

**b. No. of Shares Outstanding as of May 31, 2025:**

| <u>Title of Each Class</u> |                     |
|----------------------------|---------------------|
| Common – Class A           | 3,468               |
| Common – Class B           | 1,950               |
| Common – Class C           | 500                 |
| Common – Class D           | 702                 |
| Common – Class E           | <u>180</u>          |
| <b>TOTAL</b>               | <b><u>6,800</u></b> |

|   |                |
|---|----------------|
| <b>c. Amount of Debt Outstanding as of May 31, 2025</b> | Not applicable |
|---|----------------|

**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 (hereafter, the “annual stockholders’ meeting” or “meeting”)**

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

|                                     |   |  |
|-------------------------------------|---|--|
| Date                                | - | July 25, 2025                          |
| Time                                | - | 9:00 am                                |
| Place                               | - | To be conducted virtually through Zoom |
| <i>Place of Meeting per By-Laws</i> | - | Anvaya Cove, Morong, Bataan 2108       |

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

July 4, 2025

Notice shall likewise be given by posting the same in the Club premises and electronic copies of the meeting materials, including this Information Statement (SEC 20-IS), Management Report, and Annual Report (SEC Form 17-A) will be distributed to the stockholders of record by e-mail and may likewise be accessed by the stockholders in the Club’s website:

<https://anvayacove.com/beach-nature-club/investor-relations/>

<https://anvayacove.com/beach-nature-club/wp-content/uploads/2025/04/ACBNC-SEC-17A.pdf>

### **Item 2. Dissenters’ Right of Appraisal**

Under Section 80, Title X of the Revised Corporation Code of the Philippines (the “RCC”), 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; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose for which the Club was organized.

No matters or actions that may give rise to a possible exercise by stockholders of their appraisal rights will be taken up at the meeting.

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

- (a) No current director or officer of the Club, or nominee for election as director of the Club 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 Club in writing that he intends to oppose any action to be taken at the meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

- (a) Number of Shares Outstanding as of May 31, 2025:

Title of Each Class

|        |   |                     |              |
|--------|---|---------------------|--------------|
| Common | - | Class A (Founders') | 3,468        |
| Common | - | Class B             | 1,950        |
| Common | - | Class C             | 500          |
| Common | - | Class D             | 702          |
| Common | - | Class E             | <u>180</u>   |
| TOTAL  |   |                     | <u>6,800</u> |

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

- (b) Record Date

All stockholders of record as of June 13, 2025 are entitled to notice and to vote at the Annual Stockholders' Meeting.

- (c) Manner of Voting

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 Club. 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 Club. 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 Club's By-laws and Manual of Corporate Governance.

Holders of all classes of outstanding shares as of June 13, 2025 shall thus vote in the following manner provided by Article VI, Section 6 of the Club's 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 stockholder shall be allowed to vote in person or by proxy at all meetings of stockholders. Proxies shall be executed in writing by the stockholder or his 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 stockholders 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 corporate acts, then such higher percentage) of the Founders' Shares shall be necessary for the

approval of corporate acts requiring the approval of stockholders for their effectivity and validity.”

The Board of Directors of the Club, in the exercise of its authority under the By-laws, approved on June 4, 2025 the holding of the annual stockholders’ meeting for the year 2025 in a fully virtual format, including all the necessary and related arrangements thereto, subject to applicable rules and regulations of the Securities and Exchange Commission. The stockholders may only attend the meeting by remote communication, by voting *in absentia* or by appointing the Chairman as proxy.

For the convenience of its shareholders, the Club issued and is making available to the shareholders internal rules of 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 May 31, 2025:

(1) Security Ownership of Certain Record and Beneficial Owners (of more than 5%) as of May 31, 2025

| Title of Class  | Name and Address of Record Owner & Relationship w/ Issuer   | Name of Beneficial Owner & Relationship w/ Record Owner                                  | Citizenship | No. of Shares                     | Percentage (of total outstanding shares) |
|---|---|--|-------------|-----------------------------------|--|
| Class A (Founders’)<br>Class B<br>Class C<br>Class D<br>Class E | Ayala Land, Inc.<br>31/F Tower One & Exchange Plaza<br>Ayala Avenue Makati City   | Ayala Land, Inc.<br>is both the beneficial and record owner.                             | Filipino    | 3,250<br>411<br>352<br>702<br>180 | 71.890%                                  |
| Class A (Founders’)<br>Class B<br>Class C                       | Subic Bay Development & Industrial Estate Corp.<br>8/F Vernida IV Condominium 128 L.P.<br>Leviste St.<br>Salcedo Village<br>Makati City | Subic Bay Development & Industrial Estate Corp. is both the beneficial and record owner. | Filipino    | 201<br>16<br>38                   | 3.745%                                   |

- The Board of Directors of Ayala Land, Inc. (“ALI”) has the power to decide how ALI’s shares in the Club are to be voted. Messrs. Joseph Carmichael Z. Jugo and Paolo O. Viray have been named and appointed to exercise the voting power.
- Subic Bay Development & Industrial Estate Corp. (“SUDECO”), the significant stockholder of the Club, owns 3.745% of the total outstanding shares of the Club. The Board of Directors of SUDECO has the power to decide how SUDECO’s shares in the Club are to be voted. Ms. Jocelyn F. De Leon has been named and appointed to exercise the voting power.

(2) Security Ownership of Directors and Officers as of May 31, 2025:

| <b>Title of Class</b> | <b>Name</b>                    | <b>Position</b>   | <b>Amount &amp; Nature of Ownership</b> | <b>Citizenship</b> | <b>Percentage (of total outstanding shares)</b> |
|-----------------------|--------------------------------|---|---|--------------------|---|
| Class A               | Bernard Vincent O. Dy          | Chairman of the Board of Directors                          | 1 (record owner)                        | Filipino           | 0.015%  |
| Class A               | Paullolindo A. Elauria         | Director & President  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class B               | Joseph Carmichael Z. Jugo      | Director & Vice President                                   | 1 (record and beneficial owner)         | Filipino           | 0.015%  |
| Class A               | Dindo R. Fernando              | Director & Treasurer  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class A               | Jocelyn F. De Leon             | Director  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class A               | Antonino T. Aquino             | Director  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class A               | Mercedita S. Nollado           | Director  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class B               | Paolo O. Viray                 | Director  | 1 (record and beneficial owner)         | Filipino           | 0.015%  |
| Class A               | Rex Ma. A. Mendoza             | Independent Director  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class A               | Jesus Emmanuel M. Yujuico      | Independent Director  | 1 (record owner)                        | Filipino           | 0.015%  |
| Class A               | Jessie D. Cabaluna             | Independent Director  | 1 (record owner)                        | Filipino           | 0.015%  |
| -                     | Maria Franchette M. Acosta     | Corporate Secretary   | 0                                       | Filipino           | 0.000%  |
| -                     | Maria Paula G. Romero-Bautista | Assistant Corporate Secretary                               | 0                                       | Filipino           | 0.000%  |
| -                     | Roscoe M. Pineda               | Data Protection Officer                                     | 0                                       | Filipino           | 0.000%  |
| -                     | Neal C. Perez                  | Chief Risk Officer, Compliance Officer and Finance Director | 0                                       | Filipino           | 0.000%  |
| -                     | Heidi Rosalie R. Hocson        | General Manager   | 0                                       | Filipino           | 0.000%  |
| -                     | Jenny Vie H. Julia             | Chief Audit Executive                                       | 0                                       | Filipino           | 0.000%  |
| <b>Total</b>          |                                |   | <b>11</b>                               |                    | <b>0.162%</b>                                   |

No director or member of the Club's management owns 2% or more of the outstanding capital stock of the Club.

(c) Voting Trust Holders of 5% or More

The Club 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 Club has occurred since the beginning of its last fiscal year.

**Item 5. Directors and Executive Officers**

(a) Directors and Executive Officers

(1) Directors, Independent Directors and Executive Officers

The following persons, who constitute the final list of candidates presented and approved by majority of the Corporate Governance and Nomination Committee (composed of Mr. Rex Ma. A. Mendoza, Chairman, and Mr. Jesus Emmanuel M. Yujuico and Ms. Jessie D. Cabaluna, Members) have been nominated to the Board for the ensuing year and have accepted their nominations:

|                          |                           |
|--------------------------|---------------------------|
| George Israel C. Aquino  | Joseph Carmichael Z. Jugo |
| Augusto D. Bengzon       | Rex Ma. A. Mendoza        |
| Jocelyn F. De Leon       | Jose Eduardo A. Quimpo II |
| Paullolindo A. Elauria   | Paolo O. Viray            |
| Maria Victoria C. España | Jesus Emmanuel M. Yujuico |
| Dindo R. Fernando        |                           |

The nominees were formally nominated by a stockholder of the Club, Dindo R. Fernando, who owns one (1) Class A Share or 0.015% of the total voting shares of the Club and who is not related to any of the nominees for independent directors. Messrs. Rex Ma. A. Mendoza and Jesus Emmanuel M. Yujuico, and Ms. Maria Victoria C. España were nominated as independent directors. All nominees are incumbent directors of the Club, except for Messrs. Aquino, Bengzon, and Quimpo, and Ms. España.

The Corporate Governance and Nomination Committee of the Club evaluated the qualifications of the nominees and prepared the final list of nominees in accordance with SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) of the Securities Regulation Code and the By-Laws of the Club. The Club has adopted the SRC Rule 38 and compliance therewith has been made.

Only nominees whose names appear in the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The above-named nominees are expected to attend the annual stockholders' meeting.

A summary of the qualifications of the incumbent directors, nominees for directors for election at the annual stockholders' meeting and incumbent officers is set forth in Annex B. The certifications on the qualifications of independent directors are attached hereto as Annex B-1.

The officers of the Club are elected annually by the Board during its organizational meeting.

(2) Significant Employees

The Club considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the Club's goals and objectives.

(3) Family Relationships

None of the directors, executive officers or corporate officers are related to each other.

(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 Club 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.

The Club is currently involved in a legal proceeding. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Club's management, in consultation with its legal counsel, believes that the outcome of these legal proceedings will not have a material adverse effect on the Club's financial position or operating results. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

(b) Certain Relationships and Related Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are 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 that 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

The Club, in the normal course of business, entered into transactions with related parties consisting primarily of the construction of the Club's leisure and recreational facilities, and charges for the use of the Club's facilities and services. Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, non- interest bearing and are normally settled in cash.

The transactions and balances of accounts with related parties follow:



(1) Outstanding balances owed by related parties:

|  | 2024              |                        | 2023              |                        | Terms and Conditions  |
|--|-------------------|------------------------|-------------------|------------------------|---|
|  | Amount/<br>Volume | Outstanding<br>Balance | Amount/<br>Volume | Outstanding<br>Balance |   |
| <b>Immediate Parent Company</b>                    |                   |                        |                   |                        |   |
| ALI (Trade) (a.i)                                  | 737,000           | 307,206                | 361,900           | 438,106                | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>              |
| ALI (Professional Fees) (a.ii)                     | 865,975           | 1,223,132              | 828,714           | 376,183                | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>              |
| ALI (Loans)  | 30,000,000        | -                      | 125,000,000       | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| ALI (Interest)                                     | 113,575           | -                      | 688,488           | -                      | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.02% to 6.97%</li><li>• Collectible in cash with 14 to 36 days term</li></ul>   |
| <b>Entities Under Common Control</b>               |                   |                        |                   |                        |   |
| Bay City Commercial Ventures Inc. (Loans)          | 987,500,000       | 92,500,000             | 700,000,000       | 87,500,000             | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Bay City Commercial Ventures Inc. (Interest)       | 5,540,660         | 416,101                | 4,780,946         | 4,656,424              | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.47% to 7.19%</li><li>• Collectible in cash with 18 to 38 days term</li></ul>   |
| Cebu District Property Enterprise, Inc (Loans)     | 987,500,000       | 12,500,000             | 272,500,000       | 42,500,000             | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Cebu District Property Enterprise, Inc. (Interest) | 1,761,638         | 35,022                 | 1,826,487         | 1,447,705              | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.69% to 7.19%</li><li>• Collectible in cash with 12 to 62 days term</li></ul>   |
| Avida Land Inc. (Loans)                            | -                 | -                      | 15,000,000        | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Avida Land Inc. (Interest)                         | -                 | -                      | 12,481            | -                      | <ul style="list-style-type: none"><li>• Interest bearing; subject to 6.80% interest rate</li><li>• Collectible in cash with 5 days term</li></ul>                 |
| Amaia Land Inc. (Loans)                            | -                 | -                      | 180,000,000       | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Amaia Land Inc. (Interest)                         | -                 | -                      | 658,571           | -                      | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.25% to 7.24%</li><li>• Collectible in cash with 14 to 42 days term</li></ul>   |
| ALI Commercial Center (Loans)                      | -                 | -                      | 200,000,000       | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| ALI Commercial Center (Interest)                   | -                 | -                      | 830,214           | -                      | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.25% to 7.02%</li><li>• Collectible in cash with 14 to 42 days term</li></ul>   |
| Soltea Commercial Corp. (Loans)                    | -                 | -                      | 60,000,000        | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Soltea Commercial Corp. (Interest)                 | -                 | 219,131                | 532,493           | 219,131                | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.69% to 7.84%</li><li>• Collectible in cash with 29 to 63 days term</li></ul>   |
| Arca South Hotel Ventures Inc. (Loans)             | 25,000,000        | -                      | 30,000,000        | 5,000,000              | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Arca South Hotel Ventures Inc. (Interest)          | 149,617           | -                      | 253,795           | 86,173                 | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.69% to 7.07%</li><li>• Collectible in cash with 15 to 62 days term</li></ul>   |
| North Triangle Depot, Inc. (Loans)                 | 28,000,000        | -                      | -                 | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| North Triangle Depot, Inc. (Interest)              | 167,177           | 162,161                | -                 | -                      | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.69% to 7.25%</li><li>• Collectible in cash within 28 to 47 days term</li></ul> |
| Ayala Makati Hotel Property Inc. (Loans)           | 70,000,000        | 10,000,000             | -                 | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Ayala Makati Hotel Property Inc. (Interest)        | 414,534           | 86,836                 | -                 | -                      | <ul style="list-style-type: none"><li>• Interest bearing; subject to 6.56% to 7.19% interest rate</li><li>• Collectible in cash with 25 to 52 days term</li></ul> |
| Cavite Commercial Town Center Inc. (Loans)         | 35,000,000        | 5,000,000              | -                 | -                      | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Cavite Commercial Town Center Inc. (Interest)      | 194,781           | 188,937                | -                 | -                      | <ul style="list-style-type: none"><li>• Interest bearing; subject to 6.56% to 7.19% interest rate</li><li>• Collectible in cash with 22 to 52 days</li></ul>      |

|   |             |             |            |             |   |
|---|-------------|-------------|------------|-------------|---|
|   |             |             |            |             | term  |
| Ten Knots Phil. Inc. (Loans)                        | 45,000,000  | 5,000,000   | -          | -           | • Unsecured;  |
| Ten Knots Phil. Inc. (Interest)                     | 261,739     | 90,742      | -          | -           | • Interest bearing; subject to 6.56% to 7.19% interest rate |
|   |             |             |            |             | • Collectible in cash with 22 to 52 days term               |
| Unity Realty Development Corp. (Loans)              | 128,000,000 | 12,000,000  | -          | -           | • Unsecured;  |
| Unity Realty Development Corp. (Interest)           | 607,632     | 589,403     | -          | -           | • Interest bearing; subject to 6.42% to 7.25% interest rate |
|   |             |             |            |             | • Collectible in cash with 8 to 47 days term                |
| Anvaya Cove Golf and Sports Club, Inc. (ACGSCI) (b) | 57,843,509  | 6,235,294   | 56,820,320 | 6,348,293   | • Unsecured;  |
|   |             |             |            |             | • Non- interest bearing                                     |
|   |             |             |            |             | • Collectible in cash at gross amount on demand             |
| Makati Development Corporation (MDC) (c)            | -           | 9,911       | -          | 9,911       | • Unsecured;  |
|   |             |             |            |             | • Non- interest bearing                                     |
|   |             |             |            |             | • Collectible in cash at gross amount on demand             |
|   |             | 146,563,874 |            | 148,581,926 |   |

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Receivables from ALI consists of the following:
  - i. Trade receivables from ALI includes unsecured non-interest-bearing charges and unpaid membership dues from ALI nominees
  - ii. Receivables from ALI pertains to expenses reimbursement of the Club for the ALI shares on payment of doctor's professional fees.
  - iii. Loans and interest receivables pertain to loans which has 4 to 80 days term subject to interest rate ranging from 6.02% to 7.25%.
- b. Receivable from ACGSCI pertains to charges for the use of the Club's facilities and services by the members of ACGSCI.
- c. Receivable from MDC are related to meals and diesel charges incurred by employees of MDC in the Club.

(2) Outstanding balances owed to related parties:

|  | <u>2024</u> |                     | <u>2023</u>    |                     | Terms and Conditions   |
|--|-------------|---------------------|----------------|---------------------|--|
|  | Amount      | Outstanding Balance | Amount/ Volume | Outstanding Balance |  |
| <b>Immediate Parent Company</b>                |             |                     |                |                     |  |
| ALI (a)  | 36,453,158  | -                   | 29,138,173     | -                   | • Unsecured;<br>• Non- interest bearing<br>• Collectible in cash at gross amount on demand |
| <b>Entities Under Common Control</b>           |             |                     |                |                     |  |
| Ayala Land Club Management, Inc. (ACMI) (b)(i) | -           | -                   | 4,452,974      | -                   | • Unsecured;<br>• Non- interest bearing<br>• Collectible in cash at gross amount on demand |

|   |            |                  |            |                  |  |
|---|------------|------------------|------------|------------------|--|
| Ayala Land Club Management, Inc. (ACMI) (b)(ii) | -          | -                | 3,128,521  | -                | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| Ayala Land Premier, Inc. (ALPI) (c)             | 6,399,668  | -                | 1,945,455  | 1,363,577        | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| ACGSCI (d)                                      | 10,325,101 | 976,973          | 11,108,167 | 956,095          | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| MDC (e)   | 6,956,578  | -                | 3,533,907  | -                | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| <b>Associates of Ayala Corporation (AC)</b>     |            |                  |            |                  |  |
| Globe Telecom, Inc. (f)                         | 346,642    | -                | 264,563    | -                | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| Innove Communications, Inc. (g)                 | 3,359,940  | 291,878          | 264,563    | -                | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| Manila Water Philippine Venture, Inc. (h)       | 3,736,776  | -                | 264,563    | -                | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non- interest bearing</li> <li>• Collectible in cash at gross amount on demand</li> </ul> |
| <b>Total</b>                                    |            | <b>1,268,851</b> |            | <b>2,319,672</b> |  |

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Amount owed to ALI pertains to costs incurred for property insurance recorded as part of insurance in general and administrative expenses.
- b. Payable to ACMI pertains to basic management fee, incentive fee and system cost. All outstanding payables to ACMI were all transferred to Ayalaland Premier Inc. after the SEC approved the merger of ALSI, ACMI and Ayalaland Premier on October 17,2023, with the latter as the surviving entity
- c. Payable to ALPI pertains to the basic management fee, incentive fee and system cost which were previously billed by ACMI. The payables consist of the following:
  - i. Management fees, as agreed upon, include basic management fee amounting to 318,079 per month with an escalation clause of 7.50% per annum and incentive fee equivalent to 3.00% of gross operating profit per month included as part of total management fees in general and administrative expense.
  - ii. System cost at a monthly fixed amount of 644,958 as at December 31, 2024 (2023 - Php312,852), included as part of corporate expenses in general and administrative expenses.
- d. Payable to ACGSCI pertains to charges incurred by Club members in ACGSCI and inventory transfers.
- e. Payable to MDC pertains to ground maintenance services provided.
- f. Payable to Globe consists of cost incurred for the prepaid mobile line and text blast communication

to all members as billed by Amber.

- g. Payable to Innove consists of cost incurred for the trunk line and direct internet of the club.
- h. Payable to Manila Water consists of cost of water utilities incurred by the club.

The amounts receivable from and payable to related parties are not offset since they differ in nature and are billed and paid separately rather than settled on a net basis.

#### Transactions with BPI

The Club maintains the transactions below with BPI (an associate of AC):

|                          |      | 2024       |               |                              | 2023       |               |                              |
|--------------------------|------|------------|---------------|------------------------------|------------|---------------|------------------------------|
|                          | Note | Balance    | Income earned | Realized and unrealized gain | Balance    | Income earned | Realized and Unrealized gain |
| Cash in banks            | 2    | 30,236,344 | 25,593        | -                            | 15,864,355 | 25,996        | -                            |
| Financial assets at FVPL | 3    | 1,042,089  | -             | 76,235                       | 5,359,377  | -             | 225,785                      |
|                          |      | 31,278,433 | 25,593        | 76,235                       | 21,223,732 | 25,996        | 225,785                      |

#### Compensation of key management personnel

ALPI, a wholly owned subsidiary of ALI, manages the operation of the Club under a Management Agreement which was renewed on January 1, 2022 and shall be effective until January 1, 2025. ALPI took over the management of the Club from ACMI by virtue of the approval of the merger of ACMI, ALPI, and Ayala Land Sales, Inc. by the SEC on October 17, 2023 wherein ALPI was the surviving entity, contract has now been transferred to ALPI. Compensation paid to key management personnel amounted to Php7,739,508 in 2024 (2023 - Php3,754,225).

#### (c) Ownership Structure and Parent Company

Ayala Land, Inc. is the parent company of the Club which owns 71.890% of the total outstanding capital stock of the Club as of May 31, 2025. SUDECO, a significant stockholder of the Club, owns 3.745% of the total outstanding capital stock of the Club as of May 31, 2025.

#### (d) Transactions with Promoters

The Club did not enter into any transactions with promoters.

#### (e) 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 Club relative to the Club's operations, policies and practices.

## Item 6. Compensation of Directors and Executive Officers

### (a) Executive Compensation

- Directors. Article VII, Section 1 (2<sup>nd</sup> paragraph) of the Club's Amended By-Laws provides:

“ xxx Directors shall receive no salaries from the Club.”

- Executive Officers

As stated above, ALPI manages the operation of the Club until January 1, 2025.

Below is the summary of the aggregate compensation paid or accrued during the last two (2) years and the ensuing fiscal year to the Company's President and other most highly compensated executive officers (excludes other managers):

| Name                                     | Principal Position | (Projected)<br>2025 | 2024      | 2023      |
|--|--------------------|---------------------|-----------|-----------|
| Paullolindo A. Elauria                   | President          | -                   | -         | -         |
| Joseph Carmichael Z. Jugo                | Vice President     | -                   | -         | -         |
| Dindo R. Fernando                        | Treasurer          | -                   | -         | -         |
| Heidi Rosalie Hocson*                    | General Manager    | -                   | -         | -         |
| Neal C. Perez**                          | Finance Director   | -                   | -         | -         |
| Vladimir S. Lorilla                      | Executive Chef     | 4,434,799           | 4,254,932 | 4,181,740 |
| Antonio B. Geronimo                      | F&B Manager        |                     |           |           |
| All other officers as a group unnamed*** |                    | 6,072,968           | 5,820,351 | 5,264,960 |

\*Effective November 11, 2021 and hired under ACMI, now also ALPI by virtue of the merger.

\*\*Effective January 1, 2023 hired under ALPI.

\*\*\*Other officers and managers.

Mr. Paullolindo A. Elauria, Mr. Joseph Carmichael Z. Jugo, and Mr. Dindo R. Fernandez are not directly employed by the Club and thus receive no compensation from the Club.

- 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.

- Warrants and Options Outstanding

The Club has not offered any stock warrants or stock options to any of its Directors, Executive Officers, or employees.

- Other Arrangement

The Club has no standard arrangements with regard to the remuneration of its directors for any services provided as director. Nor are there any other arrangements, including consulting contracts, pursuant to which any director was compensated for any service provided as director. However, in consideration for their services, the monthly dues of the directors are waived during their term of office.

### (b) 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.

(c) 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) The accounting firm of SyCip Gorres Velayo & Co. (SGV & Co.) served as the principal accountant and external auditor of the Club from incorporation to audit year 2022. Mr. Jose Pepito E. Zabat III served as the Partner-in-Charge for audit years 2019 to 2022.
- (b) Pursuant to the General Requirements of SRC Rule 68, Paragraph 3 (Qualifications and Reports of Independent Auditors) and upon the recommendation of the Club's Audit and Risk Oversight Committee (with Ms. Jessie D. Cabaluna as Chairman, and Mr. Rex Ma. A. Mendoza and Ms. Mercedita S. Nollado as members), the Board approved the appointment of PwC Isla Lipana & Co. (Isla Lipana) as the principal accountant and external auditor for the year 2023. The change in external auditor is pursuant to the Independent Auditor Tenure policy adopted by ALI Group to align with the 2014 European Union Audit Regulation standard on mandatory audit firm rotation. The policy prescribes that an Independent Auditor shall be replaced after a maximum duration of 10 years, extendable to a maximum of 24 years, subject to meeting certain conditions. Isla Lipana was re-elected in 2024 with a fixed basic fee of Php359,900.00, exclusive of value-added tax.

The election of Isla Lipana, and the fixing of its remuneration were presented to the stockholders and approved in the last year's Annual Stockholders Meeting.

- (c) Representatives of Isla Lipana for the most recently completed fiscal year are expected to be present at the upcoming 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.
- (d) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Club engaged the services of SGV & Co. from 2019-2022 and Isla Lipana & Co. in 2023 and 2024. There were no disagreements with SGV & Co. and Isla Lipana & Co. on any matter of accounting and financial disclosure.

(e) External Audit Fees and Services

The Club paid its external auditors the following fees (exclusive of value-added tax and out-of-pocket expenses), during their respective year/s of engagement:

|      | <b>Audit &amp; Audit-related Fees*</b> | <b>Tax Fees</b> |
|------|--|-----------------|
| 2024 | ₱359,900.00                            | N/A             |
| 2023 | ₱359,900.00                            | N/A             |
| 2022 | ₱340,000.00                            | ₱112,000.00     |

*\* Pertains to audit fees; no fees for other assurance and other services*

The external auditors were engaged by the Club to audit its financial statements, prepare Information Return on Transactions with Related Party (BIR Form No. 1709) and to prepare AITR.

No other fees paid to the external auditors for the past 2 years.

**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**

No matter or action concerning authorization or issuance of securities will be taken up during the meeting.

**Item 10. Modification or Exchange of Securities**

The Club will not be presenting any matter or act involving the modification of any class of the Club's securities or the issuance or authorization for issuance of one (1) class of the Club's securities in exchange for outstanding securities of another class during the meeting.

**Item 11. Financial and Other Information**

The Management's Discussion and Analysis, audited financial statements as of December 31, 2024 and SEC Form 17-Q for the quarters ending March 2025, and other data related to the Club's financial information are attached hereto as Annex C.

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There is no proposed merger, consolidation, acquisition of securities or assets, sale or transfer of assets, or liquidation of the Club that will be presented during the meeting.

**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 Club of any property requiring stockholders' approval under the Revised Corporation Code.

#### **Item 14. Restatement of Accounts**

The changes in accounting policies have no impact on the statement of accounts as shown in Note 2 of the 2023 Financial Statements and neither do such changes result to a restatement of the 2022 Audited Financial Statements.

#### **D. OTHER MATTERS**

#### **Item 15. Action with Respect to Reports**

- (a) Approval of the minutes of the 2024 Annual Stockholders' Meeting held on July 26, 2024 covering the following matters:
  - (i) Approval of the minutes of the 2023 Annual Stockholders' Meeting held on August 4, 2023;
  - (ii) Ratification of the acts of the Board of Directors and Management beginning August 4, 2023 until July 26, 2024;
  - (iii) President's 2023 Annual Report, including the audited financial statements as of December 31, 2023;
  - (iv) Election of directors, including independent directors; and
  - (v) Appointment of external auditor and fixing of its remuneration.

The Minutes of the 2024 Annual Stockholders' Meeting is uploaded to the Club's website or may be viewed through the following link:

<https://anvayacove.com/beach-nature-club/investor-relations/>

- (b) Approval of the President's report for the year ending December 31, 2024, including the 2024 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 stockholders as of the record date.

#### **Item 17. Amendment of Charter, By-Laws or Other Documents**

There are no matters or actions to be submitted in the meeting that will not require the vote of common stockholders as of the record date.

#### **Item 18. Other Proposed Actions**

- (a) Ratification of all acts of the Board of Directors and Management for the period covering July 26, 2024 up to the date of the meeting.

The resolutions of the Board of Directors and the Executive Committee include –

- i) Election of officers;
- ii) Appointment of Chairpersons, members of the Board Committees, and Lead Independent Director;
- iii) Approval of the 2024 first half financial and operating results
- iv) Approval of the 2024 external audit plan
- v) Approval of the 2024 third quarter financial and operating results



- vi) Approval of the auction of shares
  - vii) Approval of the 2024 financial audit results
  - viii) Approval of the Management Representation letter
  - ix) Approval of the 2024 financial and operating results
  - x) Approval of the report of the Audit and Risk Oversight Committee to the Board
  - xi) Approval of the proposed amendments to the Audit and Risk Oversight Committee and Internal Audit Charters
  - xii) Proposed additional fees
  - xiii) Approval of the updating of Attorneys-in-Fact for various transactions
  - xiv) Approval of the performance bonus and cash incentives
  - xv) Approval of the appointment external auditor and audit fee
  - xvi) Approval of the schedule of the 2025 annual stockholders' meeting
  - xvii) Approval of the participation and voting by remote communication in all meetings of the stockholders
  - xviii) Approval of the delegation of authority to the Corporate Governance and Nomination Committee to approve the final list of nominees to the Board
- (b) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year; and
- (c) Appointment of external auditor and fixing of its remuneration.

## **Item 19. Voting Procedures**

(a) Vote Required

The majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of all matters presented to the stockholders for decision. The election of directors is by plurality of votes.

(b) Method of Voting

Straight and cumulative voting.

Each share of stock entitles its registered owner as of the Record Date to one (1) vote.

Subject to Seventh Article of the Articles of Incorporation and Article II, Section 2(c) of the By-Laws, a stockholder shall be allowed to vote in person or by proxy at all meetings of stockholders.

For this year's Meeting, stockholders shall be allowed to vote by proxy (by appointment of the Chairman as such) and by sending the ballots via electronic mail to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) prior to the meeting or until the end of the Meeting. The ballot/s submitted by the stockholders shall be considered as votes made *in absentia*. Stockholders who participate through remote communication or who vote *in absentia* or by appointing the Chairman as proxy shall likewise be deemed present for purposes of quorum subject to the guidelines attached as Annex A (I).

Proxies shall be in writing, signed and filed by the stockholders, in the form provided in this DIS, and shall be received by the Corporate Secretary at [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) on or before July 15, 2025, 5:00 p.m. or the original proxy forms containing the wet signature/s of the signatory/ies may be submitted to the Administration Office, Anvaya Cove, Morong, Bataan on or before the

said date.

#### **Item 20. Participation of Shareholders by Remote Communication**

The Board of Directors of the Company approved the holding of the annual stockholders' meeting in a fully virtual format on June 4, 2025. Stockholders may attend the meeting only by remote communication, by appointment of the Chairman as proxy, and by voting *in absentia*, as provided in Item 19 above.

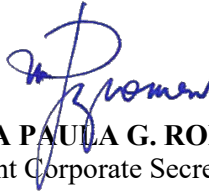
To enable the Club to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Club by email to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) on or before July 16, 2025, of their intention to participate in the meeting by remote communication.

Stockholders may send in their questions to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) not later than fifteen (15) minutes from the start of the Annual Stockholders' Meeting. The detailed instructions for participation through remote communication are attached as Annex A (II).

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 the City of Makati on June 19, 2025.

**ANVAYA COVE BEACH AND NATURE CLUB, INC.**

By:



**MARIA PAULA G. ROMERO-BAUTISTA**  
Assistant Corporate Secretary

## **ANNEX A**

### **2025 ANNUAL STOCKHOLDERS MEETING OF ANVAYA COVE BEACH AND NATURE CLUB INC. (the “Meeting”)**

#### **REQUIREMENTS AND PROCEDURE FOR VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION**

##### **I. VOTING IN ABSENTIA**

1. Stockholders, as of June 13, 2025, may attend the meeting via remote communication by submitting the ballots prior to the Meeting or until the end of the Meeting via electronic mail to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com).
2. Stockholders shall notify the Chairman of the Board and the Corporate Secretary by email to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) of his/her/its intention to exercise his/her/its right to vote in absentia by July 16, 2025.
3. Subject to validation procedures, the stockholders shall receive the official ballot which shall be used to elect members of the Board and vote on the agenda items.
4. Only ballots received from the registered e-mail addresses of the stockholders shall be accepted as valid votes and included in the tabulation.
5. Only one (1) ballot shall be accepted from each stockholder. In case of multiple e-mails from a single registered e-mail address of a member is received, the earliest ballot received shall be considered as valid and tabulated.
6. The ballots will be collected and the votes cast will be tabulated by the Office of the Corporate Secretary and the Corporate Secretary shall present the results to the stockholders during the Meeting.

##### **II. PARTICIPATION BY REMOTE COMMUNICATION**

1. Stockholders, as of June 13, 2025, are encouraged to attend the Meeting via the video conference platform, Zoom.
2. Stockholders shall notify the Chairman of the Board and the Corporate Secretary by email to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) of his/her/its intention to attend the Meeting via remote communication by July 16, 2025.
3. Only notifications received from the registered e-mail addresses of the stockholders shall be accepted as valid registration.

4. Subject to validation procedures, the stockholders shall receive from [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) the Zoom Meeting Link and official ballot within three (3) days from registration.
5. Stockholders attending the Meeting via remote communication, but failed to submit their ballots before the meeting, may still exercise their right to vote by sending their ballots via electronic mail to [acbnc.agm@anvayacove.com](mailto:acbnc.agm@anvayacove.com) during the meeting.
6. Only those stockholders who have notified the Club of their intention to participate in the Meeting by remote communication will be included in determining quorum, together with the Stockholders who voted *in absentia* and by proxy.

## ANNEX B

### BOARD OF DIRECTORS, CORPORATE OFFICERS AND KEY EXECUTIVE OFFICERS

The write-ups below include positions held as of May 31, 2025 and the in the past five years and personal data as of May 31, 2025, of directors and executive officers.

#### **Incumbent Board of Directors**

Bernard Vincent O. Dy  
Paullolindo A. Elauria  
Antonino T. Aquino  
Jocelyn F. De Leon  
Dindo R. Fernando  
Joseph Carmichael Z. Jugo

Mercedita S. Nolleto  
Paolo O. Viray  
Jessie D. Cabaluna (independent)  
Rex Ma. A. Mendoza (independent)  
Jesus Emmanuel M. Yujuico (independent)

***Bernard Vincent O. Dy***, 61, Filipino, was the former President and CEO of ALI from April 2014 until September 2023. He was a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee from April 2014 until September 2023. He is a Director of AREIT, Inc., a publicly-listed company. Concurrently, he is the Chairman of Ayagold Retailers, Inc., Anvaya Cove Golf and Sports Club, Inc. and Anvaya Cove Beach and Nature Club; Vice Chairman of Alviera Country Club, Inc.; Director of AKL Properties, Inc., Altaraza Development Corporation, Aurora Properties Incorporated, Ayala Greenfield Development Corporation, AyalaLand-Tagle Properties, Inc., Berkshires Holdings, Inc., BG West Properties, Inc., Cagayan De Oro Gateway Corp., Ceci Realty Inc., Fort Bonifacio Development Corporation, Serendra, Inc., Vesta Property Holdings, Inc., Bonifacio Land Corporation, Columbus Holdings, Inc., Emerging City Holdings, Inc. and Station Square East Commercial Corporation. He is also the President of Bonifacio Art Foundation, Inc., and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc., and advisor of Alveo-Federal Land Communities, Inc. Mr. Dy earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1997, and Masters in International Relations in 1989 from the University of Chicago.

***Paullolindo A. Elauria***, 59, Filipino, has served as the President of the Club since October 17, 2017 and Director of the Club since its incorporation in 2005. He also serves as a Director and Vice President for Operations of Anvaya Cove Golf and Sports Club, Inc. He has been the President of SUDECO since 2002. He is also the President of the Philippine Petrochemical Products, Inc., Seaport Development and Industrial Corporation, Leungs Holdings, Inc., Subic West Integrated Development Corporation, Sideli International Trading Corporation, Zambales Farms and Forest, Inc., Shining Star Corporation, and Subic West Development Corporation. He holds a Bachelor of Laws Degree from the Manuel L. Quezon University and passed the bar in 1992. Atty. Elauria is also a Professor of Commercial, Civil, and Labor Laws, having taught at De La Salle University, Lyceum of the Philippines University and Manuel L. Quezon University. He graduated with a Bachelor's degree in Mathematics for Teachers from the Philippine Normal University in 1986 and Bachelor of Laws at the Manuel L. Quezon University in 1992. He is the Founder, President and Commissioner of the Professional Chess Association of the Philippines, the first and only government-licensed professional chess league in the world.

***Antonino T. Aquino***, 77, Filipino, has served as Director of the Club since 2009. He is a Director of Manila Water Company, Inc. (MWC) since 1999. He was the President of ALI from April 2009 to April 2014, of MWC from April 1999 to April 2009, and of Ayala Property Management Corporation from 1989 to 1999. He was connected with IBM Philippines, Inc. since 1968 and was Business Unit manager when he left in

1980. He has been with the Ayala Group in various capacities for the past forty-one (41) years and has held the position of Senior Managing Director in Ayala Corporation. Currently, he is a Director of the following non-listed companies: Nuevocentro, Inc., and Mano Amiga Academy, Inc. He is a member of the Multi Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines. He is in the Advisory Board of Hero Foundation. He was named "Co Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership. In 2015. Recently he was conferred as Honorary Fellow by the Institute of Corporate Directors (ICD). He earned a degree in BS Management and completed academic requirements for Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively.

**Jocelyn F. De Leon**, 64, Filipino, has served as Director of the Club since 2011. She is the Chairman of the Board and a Director of Subic Bay Development & Industrial Estate Corporation (SUDECO). She also holds similar positions in the various companies spearheaded by the De Leon Family, such as Seaport Development and Industrial Corporation, Philippine Petrochemical Products, Inc., Leungs Holding, Inc., Subic West Integrated Development Corporation, Zambales Farms and Forest, Inc., Shining Star Farms and Forest Development Corporation, Fort West Realty and Development Corporation, Sampaloc Point Agro-Forestry and Development Corporation, and Solar Plastics Corporation. Graduating from De La Salle University in 1986 with a degree in Bachelor of Science, majoring in Marketing and reinforcing this with a Master's degree in Business Administration from the same university, Ms. De Leon has competently held managerial positions with companies based locally and abroad.

**Dindo R. Fernando**, 56, Filipino, has served as a Director and Treasurer of the Club since March 14, 2017. He holds the position of Vice President of Ayala Land Inc. and is concurrently the Head of the External Affairs Division. Presently, he is a Board Member of the Makati Parking Authority, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Secretary of Avida Towers Makati West Condominium Corporation. Prior to joining ALI, he was Head of Political Research at the Makati Business Club where he oversaw congressional research, analysis and publication. He graduated with a degree in AB Political Science from the Lyceum of the Philippines in 1989.

**Joseph Carmichael Z. Jugo**, 50, Filipino, has served as Director and Vice President of the Club since October 2018. He is currently a Senior Vice President and part of the Management Committee of Ayala Land, Inc. He is concurrently President & Director of Ayalaland Premier, Inc., Alveo Land Corp., and BGSouth Properties, Inc.; Chairman & President of Roxas Land Corp., OLC Development Corp., Southportal Properties, Inc.; Garden Towers Condo Corp., & Serendra, Inc.; Chairman of Ayala Hotels Inc., Ayala Land Sales, Inc., Ayala Land Club Management, Inc., Collines Du Capitole Clubholdings, Inc., and Verde Golf Development Corp.; President of AyalaLand-Tagle Properties, Inc.; President & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; President of Anvaya Cove Golf & Sports Club, Inc.; Vice President of Anvaya Cove Beach & Nature Club, Inc.; Director of Amicassa Process Solutions, Inc.; Ayala Center Estate Association, and Algofil, Inc. In his 20 years in the company, he has been a part of and handled various business lines including business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

**Mercedita S. Nollado**, 84, Filipino, has served as director of the Club since December 2007. Currently a member of the BPI Foundation, Inc. She is currently an Independent Director of D&L Industries, Inc., all PSE-listed companies. She also serves as Director of Ayala Land Commercial REIT, Inc., Michigan

Holdings, Inc. and Anvaya Cove Beach and Nature Club, Inc. as well as Vice-President of Sonoma Properties, Inc. She served as member of the Board of Directors of BPI for thirty years from 1991 to 2021. She likewise served as the Chairman of the BPI's Retirement & Pension Committee and a member of the Corporate Governance Committee. She was a member of the Board of Directors of Ayala Corporation from 2004 until September 2010. Ms. Nollado graduated with the degree of Bachelor of Science in Business Administration major in Accounting (magna cum laude) from the University of the Philippines in 1960 and placed second at the Certified Public Accountant Licensure Board Examination administered in the same year. In 1965, she obtained her Bachelor of Laws degree (cum laude) also from the University of the Philippines where she also placed second at the Bar Examination held in the same year.

**Paolo O. Viray**, 45, Filipino, has served as director of the Club since October 2018. He is currently a Vice President of Ayala Land, Inc. and also currently the Chief Operating Officer of AyalaLand Premier Inc., Director and Vice President of Anvaya Cove Golf and Sports Club Inc. and Ayala Greenfield Golf and Leisure Club, Inc.; Director of Amicassa Process Solutions, Inc., and Verde Golf Development Corporation. He served as President of Ayala Land Sales, Inc., General Manager for Ayala Land International Marketing, USA, and General Manager for Ayala Greenfield Development Corporation, and Project Development Manager for Ayala Land Premier. He joined Ayala Land in 2004 and has been involved in various residential and special projects handling business development, project development, marketing and sales. He holds a degree in Civil Engineering from De La Salle University, Manila and a Master's Degree in Business Administration from Hult International Business School, San Francisco, California.

**Jessie D. Cabaluna**, 67, Filipino, has served as an Independent Director of the Club since July 30, 2021. She was the Assurance Partner and Head of Market Circle-I-Bacolod Branch of SyCip Gorres Velayo & Co. until she retired in 2017, an Independent Director of AllHome Corp., AllDay Marts, Inc. and AyalaLand Logistics Holdings Corporation. She is also the President of Stetchworth since September 18, 2019. She is a Certified Public Accountant. She joined SGV in 1978 and was a partner from 1997 to 2017. She 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. She also completed Finance for Corporate Directors Program in 2017.

**Rex Ma. A. Mendoza**, 62, Filipino, was a Director of the Club since incorporation to July 25, 2014, and has served as an Independent Director of the Club since December 2020. He is the Chairman of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He currently serves as the lead independent director of Ayala Land Logistics Holdings Corporation, National Reinsurance Corporation of the Philippines and Ayala Land, Inc., all of which are publicly-listed companies. He is the chairman of the board of Singapore Life, the Soldivo Bond Fund, Inc. and the Soldivo Strategic Growth Fund, Inc. He is also the lead independent director of G Exchange Inc. (GXl, or GCash). He is a director of Cullinan Group, Esquire Financing, Inc., Mobile Group, Inc., Seven Tall Trees Events Company, Inc., Healthway Philippines Inc. and TechnoMarine Philippines. He is a member of Bro. Bo Sanchez' Mastermind Group, and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two books, Trailblazing Success and Firing On All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country's most trusted financial services conglomerates and was Chairman of its affiliates and subsidiaries. Prior to this, he was previously Senior Vice President and Chief Marketing and Sales Officer of ALI. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master's Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life



Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors.

***Jesus Emmanuel M. Yujuico***, 56, Filipino, has served as an Independent Director of the Club since July 30, 2021. He has been a director of DDMP REIT Inc. since 2014, his family's real estate joint venture with Double Dragon Properties Corporation. He also manages his family's interests in commercial real estate. He is the Chief Executive Officer of Istana Development Corporation. Previously, he co-founded a financial consulting firm in Silicon Valley and worked in Corporate Finance for Applied Materials Corporation in Santa Clara, California and Eaton Corporation in Cleveland, Ohio. He is a graduate of the Amos Tuck School of Business at Dartmouth in Hanover, New Hampshire and holds a Bachelor's degree in Economics from Bowdoin College in Brunswick Maine where he graduated with honors.

#### **Nominees to the Board of Directors for election at the stockholders' meeting:**

All the incumbent directors have been re-nominated except for Mr. Bernard Vincent O. Dy, Mr. Antonino T. Aquino, Ms. Mercedita S. Nollo, and Ms. Jessie D. Cabaluna. Messrs. George Israel C. Aquino, Augusto D. Bengzon, and Jose Eduardo A. Quimpo II, and Ms. Maria Victoria C. España have been nominated as directors of the Club. Their profiles are as follows:

***George Israel C. Aquino***, 60, has served as Vice President of ALI effective April 25, 2024. He is a seasoned executive with more than 35 years of experience in hospitality business. He was the Vice President and Managing Director of AHC Hospitality since January 2014. Under his leadership, AHC Hospitality grew to multiple properties with additional 5 in development. He oversees all aspect of the business including financial management, operational efficiency, guest experience, and brand positioning. He also developed and implemented strategies to drive revenue growth, enhance profitability, and ensured highest standards of service and hospitality. Mr. Aquino took up journalism and creative writing at University of Iowa in 1986, and interior design at Columbia College in Chicago in 1990. He obtained his Advance Management Program Certificate in 1996 and Accounting and Finance Certificate in 1995 at Cornell University – School of Hotel Administration.

***Augusto D. Bengzon***, 62, joined ALI in December 2004 and currently serves as its Senior Vice President, Chief Finance Officer & Treasurer. He is a Director of AREIT, Inc. and Treasurer of AyalaLand Logistics Holdings Corp., publicly listed companies under the Ayala Group. His other significant positions include: Chairman of AyalaLand Business Solutions, Inc. (formerly Aprisa Business Process Solutions Inc.) and FINEX Research and Development Foundation; Vice Chairman of FINEX Academy, Inc.; Director and Chief Finance Officer of Alarza Development Corporation; Director and Treasurer of ALI Eton Property Development Corp., Alveo Land Corp., Aurora Properties Inc., AyalaLand Premier Inc., AyalaLand-Tagle Properties, Inc., Ceci Realty Inc., Philippine Integrated Energy Solutions Inc., Serendra Inc. and Vesta Property Holdings Inc.; Director of Alviera Country Club Inc., Amicassa Process Solutions, Inc., Anvaya Cove Golf and Sports Club, Inc., Financial Executives Institute of the Philippines, Makati Development Corp., and Station Square East Commercial Corp.; Comptroller of Nuevocentro, Inc.; Treasurer of AKL Properties, Inc., Alabang Commercial Corporation, Amaia Land Corp., Amaia Southern Properties, Inc., Avida Land Corp., Ayala Property Management Corporation, Bellavita Land Corp., BGWest Properties, Inc., Hero Foundation, Inc., The Suites at One Bonifacio High Street Condominium Corp. and Fe De Mundo Medical Center Foundation, Inc.; Assistant Treasurer of Ayala Greenfield Development Corporation and Ayala Greenfield Golf & Leisure Club, Inc. and Trustee of Philippine National Police Foundation, Inc.. 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 the Andres K. Roxas

scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

**Jose Eduardo A. Quimpo II**, 45, has served as Vice President of ALI effective May 15, 2024. He is also a director and President of AREIT, Inc. Mr. Quimpo has extensive experience in investment banking, securities brokerage, and wealth management with his over 17 years in banking. Prior to joining ALI, he was a Senior Vice President of BDO Private Bank from October 2023 to March 2024. He was also the President of BDO Securities Corporation and Chief Operating Officer of BDO Capital & Investment Corporation, investment banking subsidiary of BDO Unibank, Inc., from March 2021 to September 2023. He was First Vice President and Co-Head of Corporate Finance of BDO Capital from 2018 to 2021. Prior to this he had senior roles in corporate finance of BDO Capital from 2014-2018 and prior to that in BPI Capital Corporation, the investment banking subsidiary of BPI, from 2007 to 2014. Mr. Quimpo obtained his Bachelor of Science in Management Engineering at Ateneo de Manila University in 2001.

**Maria Victoria C. España**, 61, is a seasoned Certified Public Accountant with over 30 years of experience. She was the former Chief Executive Officer and Chairperson of Punongbayan & Araullo (P&A Grant Thornton) for 12 years. She was with P&A Grant Thornton for 22 years, joining in 1997. Other than in the fields of accountancy and taxation, Ms. España is likewise a recognized expert in the fields of strategy, management, business process improvement, human capital development, and tax policy research and formulation, as well as in the areas of professional accounting services and taxation. She is currently an independent director of Maybank Philippines Inc. and Alternergy Holdings Corporation, and a Trustee of St. Paul University Philippines – Tuguegarao, Young Men’s Christian Association, and Shareholders’ Association of the Philippines, and an esteemed member of the Technical Panel of the Commission on Higher Education for the Accountancy Curriculum. She has worked with the Department of Finance, Senate of the Philippines, and Atlantic, Gulf & the Pacific. She likewise formerly held the following posts: Trustee and President of the Financial Executives Institute of the Philippines; Chairman and Trustee of FINEX Foundation and FINEX Academy; Trustee of the Philippine Institute of Certified Public Accountants, the Association of Certified Public Accountants in Public Practice, and Institute of Corporate Directors; and Board Governor of the Management Association of the Philippines and Grant Thornton International Ltd. She holds a Bachelor of Science in Mathematics for Teachers, *cum laude*, from the Philippine Normal University, and a Master’s Degree program in Accountancy from the Polytechnic University of the Philippines. She has likewise attended various executive programs at the Asian Institute of Management, Wharton Business School of the University of Pennsylvania, and the Said School of Business at Oxford University.

### **Executive Officers**

|                                |   |
|--------------------------------|---|
| Bernard Vincent O. Dy          | Chairman  |
| Paullolindo A. Elauria         | President   |
| Joseph Carmichael Z. Jugo      | Vice-President  |
| Dindo R. Fernando              | Treasurer   |
| Neal C. Perez                  | Chief Risk Officer, Compliance Officer & Finance Director |
| Heidi Rosalie R. Hocson        | General Manager   |
| Roscoe M. Pineda               | Data Protection Officer                                   |
| Maria Franchette M. Acosta     | Corporate Secretary                                       |
| Maria Paula G. Romero-Bautista | Assistant Corporate Secretary                             |

**Neal C. Perez**, Filipino, 52, has served as the Compliance Officer and Finance Director of the Club since November 11, 2021. He was also appointed as Chief Risk Officer of the Club effective April 28, 2023. He has multiple certifications, both local and international, namely: Certified Public Accountant (CPA), Certified Management Accountant (CMA), Certified Internal Auditor (CIA), Certified Forensic Accountant

(CrFA) and Certification in Risk Management Assurance (CRMA). He has an impeccable professional track record as Finance and Compliance Director, Financial Controller, Finance Manager and Internal Auditor in various sectors including hospitality, gaming, real estate, utilities, consumer electronics and government services. Mr. Perez holds a Master's Degree in Business Management from the University of the Philippines - Diliman and double Bachelor's Degrees in Commerce and Accountancy from Saint Louis University where he graduated Magna Cum Laude and Cum Laude, respectively.

**Heidi Rosalie R. Hocson**, 49, Filipino, has been elected as the General Manager of the Club effective November 11, 2021. She brings with her more than twenty-five (25) years of expertise in the hospitality industry. With a strong background in Food & Beverage, she has successfully handled properties in El Nido as Resort Manager under Ayala Hotels and Resorts Corporation. Her portfolio includes certifications as Certified Guest Service Professional (CGSP) and Certified Hotel Administrator (CHA) from the American Hotel and Lodging Education Institute. She finished her BS Psychology and AB Guidance and Counselling at St. Scholastica's College, Manila.

**Roscoe M. Pineda, Filipino**, 53, is the appointed Chief Information Officer (CIO) of Ayala Land, Inc. (ALI) since October 1, 2023. He is also the Data Protection Officer of the ALI group since January 1, 2024. Prior to his appointment as CIO, he was the IT Director of the Residential Business Group. He joined ALI on March 1, 2023. Previously, Mr. Pineda was with ANZ as Chief Operating Officer & Technology Service Center Lead of its Manila Global Services Center. Prior to ANZ, he was with Sun Life of Canada as Chief Shared Services Officer, and AIG Shared Services in various IT leadership roles. Mr. Pineda has a BS degree in Mathematics, major in Computer Science from the University of Santo Tomas.

**Maria Franchette M. Acosta, Filipino**, 52, is the Corporate Secretary, Chief Legal Officer, Data Protection Officer and Corporate Governance Group Head and Managing Director of Ayala Corporation. She is also the Corporate Secretary of ACEN CORPORATION, Globe Telecom, Inc, Integrated Micro-Electronics, Inc. and AREIT, Inc; and Group General Counsel and Corporate Secretary of ALI. She is a practicing lawyer for 24 years, with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she served from 2001 to 2003. She is recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is a consistent Asia Business Law Journal's top 100 lawyers of the Philippines. Ms. Acosta graduated from New York University with a Master of Laws in 2003. She ranked 3rd in the Philippine Bar Examination and earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

**Maria Paula G. Romero-Bautista**, 41, Filipino, has served as Assistant Corporate Secretary of the Club since July 30, 2021. She was a Senior Counsel at Ayala Group Legal, assigned to the Corporate Services and Compliance Unit. She is currently the Head of the Compliance and Corporate Services Group of ALI Legal. She handles various corporate and assistant corporate secretarial functions for several companies within the Ayala Group. Prior to joining Ayala Group Legal, she worked at Gatchalian Castro & Mawis Law Office and Cruz Marcelo & Tenebrancia Law Office. She graduated with a Juris Doctor degree from Ateneo de Manila University in 2009 and for her undergraduate studies, from De La Salle University Manila with a degree in Bachelor of Science in Commerce Majoring in Legal Management in 2005.

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIA VICTORIA C. ESPAÑO**, Filipino, of legal age, and a resident of 17 West de Leon Drive, North Susana Executive Village, Old Balara 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 **ANVAYA COVE BEACH AND NATURE CLUB, INC.** (the "Corporation") for its Annual Stockholders' Meeting on July 25, 2025.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

| Company/Organization  | Position/Relationship         | Period of Service |
|---|-------------------------------|-------------------|
| Maybank Philippines, Inc.                                     | Independent Director          | 2024 – Present    |
| Alternergy Holdings Corporation                               | Independent Director          | 2023 – Present    |
| St. Paul University Philippines – Tuguegarao                  | Trustee                       | 2023 - Present    |
| Young Men's Christian Association                             | Trustee                       | 2024 – Present    |
| Shareholders' Association of the Philippines                  | Trustee                       | 2020 – Present    |
| Commission on Higher Education for the Accountancy Curriculum | Member of the Technical Panel |                   |

3. I possess all the qualifications and none of the disqualifications to serve as Independent Director of the Corporation, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other issuances of the Commission.
4. I am not related to any director/officer/substantial shareholder of the Corporation or any of its subsidiaries and affiliates other than the relationships provided under Rule 38.2.3 of the Securities Regulation Code.
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 and Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other issuances of the Commission.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 26 2025 in Makati City.

  
**MARIA VICTORIA C. ESPAÑO**  
*Affiant*

*[Notary page follows.]*

**SUBSCRIBED AND SWORN** to before me this JUN 26 2025 in Makati City with affiant personally appearing before me and exhibited to me her Driver's License No. N01-03-002117 issued by the Land Transportation Office with an expiration date of November 24, 2032.

Doc. No. 70;  
Page No. 35;  
Book No. XI;  
Series of 2025.

Notarial DST pursuant to Sec. 61 of the  
TRAIN Act (amending Sec. 188 of the NIRC)  
affixed on Court's copy.



**TRIXIE CARMELA J. GONZALES**  
Notary Public – Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 492140 – 01/02/2025– Manila IV  
PTR No. MKT10467734MN–01/03/2025 – Makati City  
MCLE Compliance No. VIII-0031268 – 05/01/2025  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **REX MA. A. MENDOZA**, Filipino, of legal age, and a resident of No. 10 San Antonio Street, Magallanes Village, 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 **ANVAYA COVE BEACH AND NATURE CLUB, INC.** (the “Corporation”) for its Annual Stockholders’ Meeting on July 25, 2025 and has been its independent director since 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

| <b>Company/Organization</b>                          | <b>Position/Relationship</b> | <b>Period of Service</b>    |
|--|------------------------------|-----------------------------|
| Rampver Financials                                   | Chairman, Board of Directors | 2014 – Present              |
| Soldivo Strategic Growth Fund, Inc.                  | Chairman, Board of Directors | 2014 – Present              |
| Soldivo Bond Fund, Inc.                              | Chairman, Board of Directors | 2014 – Present              |
| Cullinan Group, Inc.                                 | Member, Board of Directors   | 2008 – Present              |
| TechnoMarine Enterprises Philippines, Inc.           | Member, Board of Directors   | 2001 – Present              |
| Esquire Financing, Inc.                              | Member, Board of Directors   | 2013 – Present              |
| G-Exchange, Inc.                                     | Member, Board of Directors   | 2021 – Present              |
| Globe Fintech Innovations Inc. (Mynt)                | Member, Board of Directors   | 2023 – Present              |
| Mobile Group, Inc.                                   | Member, Board of Directors   | July 30, 2020 – Present     |
| Seedbox Technologies, Inc.                           | Member, Board of Directors   | 2019 – Present              |
| Seven Tall trees Events Company, Inc.                | Member, Board of Directors   | 2008 – Present              |
| Ayala Land, Inc.*                                    | Independent Director         | April 22, 2020 – Present    |
| National Reinsurance Corporation of the Philippines* | Independent Director         | 2019 – Present              |
| Healthway Philippines, Inc.                          | Member, Board of Directors   | February 2024 – Present     |
| Anvaya Cove Beach and Nature Club, Inc.              | Independent Director         | December 10, 2020 – Present |

\* publicly-listed companies on the Philippine Stock Exchange

3. I possess all the qualifications and none of the disqualifications to serve as Independent Director of the Corporation, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other issuances of the Commission.
4. I am not related to any director/officer/substantial shareholder of the Corporation or any of its subsidiaries and affiliates other than the relationships provided under Rule 38.2.3 of the Securities Regulation Code.
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 and Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other issuances of the Commission.

7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 24 2025 in Makati City.


  
**REX MA. A. MENDOZA**  
Affiant

**SUBSCRIBED AND SWORN** to before me this JUN 24 2025 in Makati City with affiant personally appearing before me and exhibited to me his Passport No. P6999664A issued at DFA Manila on May 2, 2018.

Doc. No. 46;  
Page No. 27;  
Book No. XI;  
Series of 2025.

Notarial DST pursuant to Sec. 61 of the  
TRAIN Act (amending Sec. 188 of the NIRC)  
affixed on Court's copy.



  
**TRIXIE CARMELA J. GONZALES**  
Notary Public - Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 492140 - 01/02/2025 - Manila IV  
PTR No. MKT10467734MN-01/03/2025 - Makati City  
MCLE Compliance No. VIII-0031263 - 05/01/2025  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JESUS EMMANUEL M. YUJUICO**, Filipino, of legal age, and a resident of No. 15 Ryder Loop Ayala Hillside Estates, Old Balara, 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 **ANVAYA COVE BEACH AND NATURE CLUB, INC.** (the "Corporation") for its Annual Stockholders' Meeting on July 25, 2025 and has been its independent director since July 2021.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

| Company/Organization                    | Position/Relationship      | Period of Service       |
|---|----------------------------|-------------------------|
| Istana Development Corporation          | Chief Executive Officer    | 2020 – Present          |
| Double Dragon Meridian Park REIT        | Director                   | 2017 – Present          |
| Applied Materials Corporation           | Operations Finance Manager | 2000 – 2002             |
| Eaton Corporation                       | Finance Manager            | 1998 – 2000             |
| Anvaya Cove Beach and Nature Club, Inc. | Independent Director       | July 30, 2021 – Present |

3. I possess all the qualifications and none of the disqualifications to serve as Independent Director of the Corporation, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other issuances of the Commission.
4. I am not related to any director/officer/substantial shareholder of the Corporation or any of its subsidiaries and affiliates other than the relationships provided under Rule 38.2.3 of the Securities Regulation Code.
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 and Regulation Code and its implementing Rules and Regulations, Code of Corporate Governance and other issuances of the Commission.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this JUN 26 2025 in Makati City.

  
**JESUS EMMANUEL M. YUJUICO**  
*Affiant*

[Notary page follows.]



**SUBSCRIBED AND SWORN** to before me this JUN 26 2025 in Makati City with affiant personally appearing before me and exhibited to me his Passport No. P7882200A issued at DFA Manila on July 11, 2018.

Doc. No. 169;  
Page No. 35;  
Book No. KT;  
Series of 2025.

Notarial DST pursuant to Sec. 61 of the  
TRAIN Act (amending Sec. 188 of the NIRC)  
affixed on Court's copy.



**TRIXIE CARMELA J. GONZALES**  
Notary Public – Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 492140 – 01/02/2025– Manila IV  
PTR No. MKT10467734MN–01/03/2025 – Makati City  
MCLE Compliance No. VIII-0031268 – 05/01/2025  
27th Floor, Tower One and Exchange Plaza,  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines

## ANNEX C

### MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) OF FINANCIAL CONDITION AND PLAN OF OPERATION

#### I. PLAN OF OPERATIONS

In the wake of the global pandemic, the Anvaya Cove Beach and Nature Club of 2023 underwent a transformative period aimed at enhancing the overall experience for its esteemed members. Faced with challenges brought about by the pandemic, the club embarked on a journey of recovery, focusing on upgrading facilities, hosting successful events, and prioritizing staff training and administrative improvements.

##### Recovering from the Pandemic:

As the world began to recover from the effects of the pandemic, Anvaya Cove Beach and Nature Club took proactive measures to address the needs of its members. Recognizing the importance of safety and comfort, the club diligently worked on fixing amenities and facilities to ensure they met the highest standards of cleanliness and functionality. This effort was crucial in rebuilding trust and confidence among members, providing them with a haven to enjoy leisure activities and relaxation.

##### Enhancing Member Experience:

Central to the club's mission was the aim to improve the overall experience for its members. With this goal in mind, Anvaya Cove Beach and Nature Club implemented various initiatives aimed at catering to the diverse interests and preferences of its members. From upgrading activities for both adults and children to introducing new amenities and services, every effort was made to ensure that members felt valued and engaged.

##### Successful Events:

Despite the challenges posed by the pandemic, Anvaya Cove Beach and Nature Club managed to host successful events during the festive season. Christmas and New Year celebrations were marked by joyous gatherings and memorable experiences for members and their families. These events not only fostered a sense of community but also showcased the club's commitment to providing unforgettable moments for its members. Halloween activities being a hit for both kids and adults. Christmas tree lighting also was one of the highlights of the festive activities. We launched our sustainable rustic Christmas decors made by our very own colleagues, which was very much appreciated by our members. We also made few revenues from our inhouse made Christmas decors.

##### Impact of International Travel:

While the club experienced a decline in foot traffic due to the opening of international travel, it presented an opportunity to focus on catering to the needs of local members. With fewer members opting to travel abroad, Anvaya Cove Beach and Nature Club curated exclusive experiences and packages tailored to the preferences of its domestic clientele. This strategic approach ensured that members continued to enjoy unparalleled experiences closer to home.

##### Investment in Staff Training:

Recognizing that the quality of service is paramount to the overall member experience, the club invested in comprehensive staff training programs. From hospitality skills to safety protocols, employees underwent rigorous training to ensure they were well-equipped to meet the evolving

needs of members. This investment not only enhanced the professionalism of the staff but also contributed to a culture of excellence within the club.

**Administrative Improvements:**

In addition to frontline services, Anvaya Cove Beach and Nature Club concentrated on back-of-the-house administrative work. This included the creation and fine-tuning of policies and procedures to streamline operations and enhance efficiency. By prioritizing administrative improvements, the club was able to provide members with a seamless experience from reservation to check-out.

In 2023, Anvaya Cove Beach and Nature Club emerged from the challenges of the pandemic stronger and more resilient than ever. Through a combination of facility upgrades, successful events, staff training, and administrative improvements, the club succeeded in enhancing the overall member experience. As the world continues to navigate uncertainties, Anvaya Cove Beach and Nature Club remains committed to providing its members with exceptional service and unforgettable memories amidst the tranquil beauty of nature.

**A. Satisfaction of cash requirements and fund-raising plans**

Operating Cash Requirement

The key sources of liquidity of the Club are the revenues generated from membership dues, guests' fees, room accommodations, sale of food and beverage, banquets, and other Club related activities.

**B. Product research and development**

No product research and developments are planned. Architectural design planning for the various structures and facilities of the Club substantially has been completed.

**C. Purchase or sale of plant and significant equipment**

All necessary and significant equipment of the Corporation for its full operation have been purchased.

**D. Significant changes in the number of employees**

The Club has already hired 324 employees as of December 31, 2023.

**II. RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS**

**For the 1<sup>st</sup> Quarter 2025**

Total Club Revenues for the period ended March 31, 2025 registered at ₱74.98 million, a decrease of 6.58% compared to same period last year.

- Sale of Goods decreased by ₱6.85 million, from same period last year of ₱31.90 million to ₱25.05 million (33.41% of Total Revenue) this year.
- Service Income registered at ₱24.87 million (33.17% of Total Revenue), lower by ₱0.56 million or 2.20% compared to the prior year of ₱25.43 million.

- Membership Dues recorded at ₱22.47 million (29.96% of the Total Revenue) higher by 6.27% or ₱1.33 million compared to the same period in 2024.
- Transfer Fees amounted to ₱2.59 million (3.45% of the Total Revenue), 44.64% higher than the ₱1.79 million fees recorded in the same period of 2024.

Total Cost and Expenses increased by 0.94% or ₱0.80 million, from ₱84.58 million in the same period last year to ₱85.38 million this year.

- Cost of Sales decreased to ₱30.45million (35.66% of the Total Cost and Expenses), ₱1.51 million or 4.72% higher compared to the same period of last year.
- Cost of Services decreased to ₱21.87 million (25.61% of the Total Cost and Expenses), ₱0.06 million or 0.27% lower than the same period of 2024.
- General and Administrative Expenses recorded an increase of 7.71% or ₱2.37 million, from ₱30.69 million of prior period to ₱33.06 million of the current year.

Other Income recorded at ₱3.65 million (4.87% of Total Revenue), lower by ₱0.082 million or 18.31% compared to same period of previous year.

- A decrease of ₱0.072 million in Interest Income, from previous year of ₱1.99 million to ₱1.27 million of current year.
- Miscellaneous Income recorded at ₱2.38 million (3.17% of the Total Revenue), lower by 4.0% compared to same period last year.

Provision for Income Tax computed at ₱0.17 million.

### **Financial Condition – March 31,2025 versus December 31, 2024**

Total Assets recorded at ₱772.34 million, higher by ₱21.78 million or 2.90% compared to December 31, 20234. The changes were attributed to the following:

- Cash ended at ₱28.11 million (3.64% of the Total Assets), decrease of about ₱2.19 million or 7.23% compared to December 31, 2024.
- Accounts and other receivables decreased to ₱26.94 million (3.49% of Total Assets) from ₱31.64 million as of December 31, 2024 due to payment on member's ledger.
- Receivables from related parties registered at ₱165.67 million (21.45% of the Total Assets), versus ₱146.56 million of December 2024, an increase of ₱19.10 million or 13.03%.
- Inventories recorded at ₱5.80 million (0.75% of Total Assets), higher by 9.20% compared to ₱5.32 million of previous year.
- Other current assets of ₱36.98 million (4.79% of the Total Assets) showed a significant increase of about ₱11.42 million or 44.69% compared to previous year.
- Property and equipment decreased by 0.82% to ₱503.86 million (65.24% of the Total Assets) on

account of depreciation.

- Advances and other noncurrent assets amounted to ₱4.98 million, (0.65% of the Total Assets) ₱ 2.86 million or 135.28% higher compared to last year.

Total Liabilities of the Club reached to ₱116.37 million (15.07% of Total Liabilities and Member's Equity). An increase of ₱28.71 million or 32.75% compared to last year of ₱87.67 million. The changes due to the following:

- Accounts and other payables increased by ₱11.81 million, recorded at ₱58.77 million (7.61% of Total Liabilities and Member's Equity).
- Contract liabilities recorded at ₱37.32 million (4.83% of Total Liabilities and Member's Equity), higher by ₱13.22 million or 54.87% compared to ₱24.10 million of previous year.
- Payables to related parties totaled ₱4.19 million (0.54 % of the Total Liabilities and Member's Equity), higher by ₱2.92 million or 230.20% compared to last year.
- Pension liabilities at ₱14.39 million, increased by 5.58% as compared to previous period.

#### **Cash Flows – Period Ended March 31,2025 vs. March 31,2024**

- Net cash generated by operating activities for the period ended March 31,2025 settled at ₱23.13 million.
- Net cash used in investing activities amounted to ₱25.32 million.
- At the end of March 31,2025, cash balance amounted to ₱28.11 million.

#### **Key Performance Indicators**

| Ratio                 | Formula  | March 31,2025 | 2024          |
|-----------------------|--|---------------|---------------|
| Current ratio         | Current assets / Current liabilities                     | 2.63          | 3.32          |
| Acid test ratio       | Quick assets / Current liabilities                       | 2.20          | 2.90          |
| Debt-to-equity ratio  | Total debt / Total stockholders' equity                  | 0.18          | 0.13          |
| Asset-to-equity ratio | Total assets / Total stockholders' equity                | 1.18          | 1.13          |
|                       |  | March 31,2025 | March 31,2024 |
| Solvency ratio        | EBITDA / Total debt                                      | 0.03          | 0.10          |
| Return on equity      | Net income after tax/ Average total stockholders' equity | -0.01         | 0.00          |
| Return on assets      | Net income after tax / Average total assets              | -0.01         | 0.00          |
| Net profit margin     | Net income after tax / Total revenue                     | -0.09         | 0.00          |

The Club monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

Compared to 2024, a decrease in current and acid test ratio by 0.69 and 0.70, respectively.

Increase of 0.05 for both debt-to-equity and asset-to equity ratio computed at 0.18 and 1.18, respectively.

Solvency ratio slightly decreases by 0.07 as compared to same period last year.

Both return on equity and return on asset recorded at 0.01 in March 31,2025, decreased by 0.01 compared to same period last year.

Net profit margin computed at -0.09 in March 31,2025, compared to 0.00 of prior period.

### **Discussion and Analysis of Material Events and Uncertainties Known to Management**

We confirm that there have been no events, including events related to COVID-19 pandemic, subsequent to the period end which require adjustment of or disclosure in the financial statements that would address the past and would have impact on the future operations on 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 material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.
6. Any significant elements of income or loss that did not arise from the Club's continuing operations;
7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

### **Plan of Operation for the 2<sup>nd</sup> Quarter 2025**

As we embrace the vibrant summer season, Anvaya Cove Beach and Nature Club continues to be a top destination for members, families, and corporate groups. With the influx of guests during weekends and long holidays, we have seen a significant rise in teambuilding bookings and recreational activities, keeping the Club's calendar packed and energetic.

### **Upcoming Developments & Enhancements**

One of the key initiatives this quarter is the anticipated launch of our new system (RSA), scheduled to go live on June 3, 2025. This system is designed to streamline bookings, improve operational efficiency, and enhance the overall member experience.

In line with our commitment to improving dining experiences, we are also set to launch new menus at Bamboo Café and Pawikan Bar and Grill. Members and guests can look forward to fresh, curated offerings that highlight both local flavors and seasonal ingredients.

### **Sports & Recreation**

We are continuing our tennis and pickleball clinics, which have been well received by members of all ages. To build on this momentum, we are excited to announce the upcoming Pickleball Tournament — a fun and competitive addition to our summer activity lineup. This initiative is part of our broader plan to promote wellness and camaraderie among members.

### **Operations & Management Update**

The renovation timeline has been adjusted, as Ayala Land Hospitality will be assuming full management of both clubs. This transition is part of our long-term plan to elevate service standards and overall guest satisfaction.

### **Membership Value & Engagement**

In light of the upcoming adjustment to monthly dues, we are actively working on expanding member-exclusive activities and offering more complimentary amenities. Our goal is to ensure that the Club continues to deliver exceptional value and meaningful experiences for our members and their families.

### **Safety & Seasonal Advisory**

As summer is also jellyfish season, we are taking heightened precautions to ensure the safety of all beachgoers. Our lifeguard and safety teams are fully briefed and equipped, and additional signage and alerts are being deployed to keep everyone informed and safe.

We thank all our members for their continued support and look forward to an exciting and activity-filled summer season at Anvaya Cove.

#### **E. Satisfaction of cash requirements and fund-raising plans**

##### Operating Cash Requirement

The key sources of liquidity of the Club are the revenues generated from membership dues, guests' fees, room accommodations, sale of food and beverage, banquets, and other Club related activities. Given the current cash position of the Club, the Corporation will not need additional funding for its operations in the 2<sup>nd</sup> quarter of 2025.

#### **F. Product research and development**

No product research and developments are planned. Architectural design planning for the various structures and facilities of the Club substantially has been completed.

#### **G. Purchase or sale of plant and significant equipment**

All necessary and significant equipment of the Corporation for its full operation have been purchased.

#### **H. Significant changes in the number of employees**

The Club has already hired 328 employees as of March 31, 2025.

## **2024 vs 2023**

### **A. Results of Operations**

Total Club revenues for CY 2024 reached ₱308.32 million which was higher than CY 2023 by ₱23.86 million or 8.39%.

- Sale of goods totaled ₱115.10 million or 37.33% of total Club revenues, lower by ₱0.18 million or 0.16% lower as compared to last year.
- Service income amounted to ₱97.92 million or 31.76% of total Club revenues, increased by ₱2.40 million or 2.52% as compared to last year.
- Membership dues recorded at ₱87.36 million or 28.33% of the total Club revenues, higher by ₱21.53 million or 32.71% as compared to last year.
- Transfer Fee for the period reached ₱7.94 million or 2.57% of the total Club revenues, lower by 1.37% as compared to previous year.

Total cost and expenses for the year was recorded at ₱329.55 million which was ₱21.45 million or 6.96% higher as compared last year.

- Cost of sales recorded at ₱121.11 million or 36.75% of total cost and expenses, an increase of ₱2.81 million or 2.38% compared to previous year.
- Cost of services reached at ₱84.62 million or 25.68 % of the total cost and expenses. Higher by ₱2.83 million or 3.46 % compared to previous year.
- General and administrative expenses amounted to ₱123.82 million or 37.57% of total cost and expenses. Higher by ₱15.80 million or 14.63% as compared to previous year.

Other income computed at ₱23.32 million at the end of the year. Higher by ₱0.32 million or 1.37% as compared to CY 2023.

- Decrease in the interest income for the year ended 2024, recorded at ₱9.39 million or 3.05% of total Club revenues, lower by ₱0.29 million as compared to last year.
- Miscellaneous income recorded at ₱13.93 million or 4.52% of the total Club revenues, increased by ₱0.60 million or 4.52% compared to previous year

Provision for income tax computed amounting to ₱1.19 million, 41.64% higher as compared to the prior year.

After the remeasurement gain on pension liabilities amounting to ₱0.85 million, the Club resulted to a Total Comprehensive Income of ₱1.75 million in CY 2024.

### **B. Financial Condition**

Total assets of the Club as of December 31, 2024 recorded at ₱750.56 million, a decrease of ₱1.37 million or 0.18% from last year's ₱751.93 million.



- Cash and cash equivalents recorded at ₱30.30 million or 4.04% of total assets, higher by ₱14.34 million as compared from last year of ₱15.95 million.
- As of December 31, 2024, the Club investments in financial assets at fair value through profit or loss amounted to ₱1.04 million, which is 0.14% of total assets. Lower by ₱4.32 million or 80.56% increase from last prior year's ₱5.36 million.
- Accounts and other receivables increased from last year of ₱27.53 million to ₱31.64 million of December 31, 2024, higher by ₱4.11 million or 14.94%.
- Receivables from affiliates decreased to ₱146.56 million, 19.53% of total assets, from ₱148.58 million of the prior year. Lower by ₱2.01 million or 1.36% as compared to CY 2023.
- Inventories recorded at ₱5.32 million as of December 31, 2024, 0.71% of total assets, ₱0.20 million or 3.82% higher compared to prior year of ₱5.12 million.
- Other current assets amounted to ₱25.56 million, 3.41% of total assets, increased by ₱0.20 million or 0.80% compared to previous year balance of ₱25.36 million.
- Property and equipment (net of depreciation), which is 67.69% of total assets, amounted to ₱508.02 million as of December 31, 2024, a decrease of 2.36% as against last year of ₱520.32 million.
- Advance and other noncurrent assets amounted to ₱2.12 million, decrease by 42.82% as compared with previous year of ₱3.70 million.

Total current liabilities of the Club recorded at 9.64% of total Liabilities & Equity, which amounted to ₱72.33 million, 5.85% lower than the previous year of ₱76.82 million.

- Accounts and other payables, recorded at ₱46.96 million, 6.26% of total liabilities and equity, significantly lower by 10.56% compared with prior year of ₱52.50 million.
- Contract liabilities recorded at ₱24.10 million, 3.21% of total liabilities and equity. Slightly higher by ₱2.10 million or 9.55% as compared to previous year of ₱21.99 million.
- Payables to affiliates recorded at ₱1.27 million, 0.17% of total liabilities and equity. A decrease of 45.30% or ₱1.05 million, from ₱2.32 million as of December 31, 2023.

Non-current liability recorded at ₱15.34 million or 2.04% of the Total Liabilities and Equity. Higher by ₱1.38 million or 9.87% as compared to prior year's ₱13.96 million.

- Pension liability computed at ₱13.63 million, 1.82% of total liabilities and equity, an increase of ₱1.09 million as compared to prior year of ₱12.54 million. The movement was due to assumption changes used to calculate the DBO.
- Recorded a deferred tax liability of ₱1.71 million for the year, movement referred to tax impact of the pension liability recalculation.

## **B. Statement of Cash Flow**

- Cash provided (used) by operating and investing activities for the year ended 2024 was recorded at ₱40.99 million and (₱26.65) million, respectively.
- At the end of the year 2023, the cash balance amounted to ₱30.30 million.

### Key Performance Indicators

The Club monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

| Ratio                 | Formula   | 2024 | 2023   |
|-----------------------|---|------|--------|
| Current ratio         | Current assets / Current liabilities  | 3.32 | 2.97   |
| Acid test ratio       | Quick assets (Total current assets excluding inventory)/ Current liabilities                                    | 2.90 | 2.90   |
| Solvency ratio        | EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt) | 0.50 | 0.31   |
| Debt-to-equity ratio  | Total debt / Total stockholders' equity   | 0.13 | 0.14   |
| Asset-to-equity ratio | Total assets / Total stockholders' equity   | 1.13 | 1.14   |
| Return on equity      | Net income after tax/ Average total stockholders' equity  | 0.00 | 0.00   |
| Return on assets      | Net income after tax / Average total assets   | 0.00 | 0.00   |
| Net profit margin     | Net income after tax / Total revenue  | 0.00 | (0.01) |

Current ratio increases from 2.97 of prior year to 3.32 in 2024. Acid test ratio remains constant.

Solvency ratio increases by 0.19. Debt-to-equity ratio computed at 0.13 in the current year.

Asset-to-equity ratio recorded at 1.13, a decrease of 0.01 compared to 2023.

Both return on equity and return on asset recorded at 0.00 for 2024 and 2023.

Net profit margin computed at 0.00 in 2024, compared to (0.01) of 2023.

There are no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

The Club does not have, nor does it anticipate, any cash flow or liquidity problems. The Club is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. There is no significant amount of the Club's trade payables which have not been paid within the stated trade terms.

There are no events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities created during the reporting period.

There is no material commitment for capital expenditures other than those performed in the ordinary course

of trade or business.

There is a known viral outbreak known as Novel Coronavirus (NCov) in mainland China that have resulted to unfavorable impact on net sales or revenues or income from operations.

There are no significant elements of income or loss that did not arise from the Club's operating activities.

There has not been any seasonal aspect that had a material effect on the financial condition or results of operations.

## **2023 vs 2022**

### **A. Results of Operations**

Total Club revenues for CY 2023 reached ₱284.46 million which was slightly higher than CY 2022 by ₱2.39 million or 0.85%.

- Sale of goods totaled ₱115.29 million or 40.53% of total Club revenues, lower by ₱6.66 million or 5.46% lower as compared to last year.
- Service income amounted to ₱95.52 million or 33.58% of total Club revenues, significantly increased by ₱12.59 million or 15.18% as compared to last year.
- Membership dues recorded at ₱65.83 million or 23.14% of the total Club revenues, higher by ₱0.98 million or 1.51% as compared to last year.
- Transfer Fee for the period reached ₱7.83 million or 2.75% of the total Club revenues, lower by 36.63% as compared to previous year.

Total cost and expenses for the year was recorded at ₱308.10 million which was ₱31.03 million or 11.20% higher as compared last year.

- Cost of sales recorded at ₱118.30 million or 38.39% of total cost and expenses, an increase of ₱10.37 million or 9.61% compared to previous year.
- Cost of services reached at ₱81.79 million or 26.55 % of the total cost and expenses. Higher by ₱7.75 million or 10.47 % compared to previous year.
- General and administrative expenses amounted to ₱108.02 million or 35.06% of total cost and expenses. Higher by ₱12.91 million or 13.57% as compared to previous year.

Other income computed at ₱23.00 million at the end of the year. Higher by ₱8.26 million or 56.04% as compared to CY 2022.

- Increase in the interest income for the year ended 2022, recorded at ₱9.68 million or 3.40% of total Club revenues, higher by ₱6.47 million as compared to last year.
- Miscellaneous income recorded at ₱13.32 million or 4.68% of the total Club revenues, increased by ₱1.79 million or 15.51% compared to previous year

Provision for income tax computed amounting to ₱0.84 million, 21.26% higher as compared to the prior

year.

After the remeasurement gain on pension liabilities amounting to ₱0.23 million, the Club resulted to a Total Comprehensive Loss of ₱1.71 million in CY 2023.

## **B. Financial Condition**

Total assets of the Club as of December 31, 2023 recorded at ₱751.93 million, a decrease of ₱11.97 million or 1.57% from last year's ₱763.90 million.

- Cash and cash equivalents recorded at ₱15.95 million or 2.12% of total assets, lower by ₱7.28 million as compared from last year of ₱23.23 million.
- As of December 31, 2023, the Club investments in financial assets at fair value through profit or loss amounted to ₱5.36 million, which is 0.71% of total assets. Higher by ₱0.23 million or 4.40% increase from last prior year's ₱5.13 million.
- Accounts and other receivables decreased from last year of ₱28.18 million to ₱27.53 million of December 31, 2023. Slightly lower by ₱0.65 million or 2.31%.
- Receivables from affiliates decreased to ₱148.58 million, 19.76% of total assets, from ₱152.10 million of the prior year. Lower by ₱3.52 million or 2.31% as compared to CY 2022.
- Inventories recorded at ₱5.12 million as of December 31, 2023, 0.68% of total assets, ₱0.13 million or 2.58% higher compared to prior year of ₱4.99 million.
- Other current assets amounted to ₱25.36 million, 3.37% of total assets, increased by ₱3.66 million or 16.86% compared to previous year balance of ₱21.70 million.
- Property and equipment (net of depreciation), which is 69.20% of total assets, amounted to ₱520.32 million as of December 31, 2023, a decrease of 0.92% as against last year of ₱525.14 million.
- Advance and other noncurrent assets amounted to ₱3.70 million, or an increase of 8.14% as compared with previous year of ₱3.42 million.

Total current liabilities of the Club recorded at 10.22% of total Liabilities & Equity, which amounted to ₱76.82 million, 14.04% lower than the previous year of ₱89.37 million.

- Accounts and other payables, recorded at ₱52.50 million, 6.98% of total liabilities and equity, significantly higher by 26.83% compared with prior year of ₱41.39 million.
- Contract liabilities recorded at ₱22.0 million, 2.93% of total liabilities and equity. Slightly higher by ₱1.20 million or 5.79% as compared to previous year of ₱20.79 million.
- Payables to affiliates recorded at ₱2.32 million, 0.31% of total liabilities and equity. A decrease of 91.47% or ₱24.86 million, from ₱27.18 million as of December 31, 2022.

Non-current liability recorded at ₱13.96 million or 1.86% of the Total Liabilities and Equity. Higher by ₱2.28 million or 19.56% as compared to prior year's ₱11.68 million.

- Pension liability computed at ₱12.54 million, 1.67% of total liabilities and equity, an increase of ₱2.36 million as compared to prior year of ₱10.18 million. The movement was due to assumption changes used to calculate the DBO.
- Recorded a deferred tax liability of ₱1.42 million for the year, movement referred to tax impact of the pension liability recalculation.

### C. Statement of Cash Flow

- Cash provided (used) by operating and investing activities for the year ended 2023 was recorded at ₱31.66 million and (₱33.93) million, respectively.
- Cash used in financing activities for year ended 2023 recorded at ₱5.00 million.
- At the end of the year 2023, the cash balance amounted to ₱15.95 million.

### Key Performance Indicators

The Club monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

| Ratio                 | Formula   | 2023  | 2022 |
|-----------------------|---|-------|------|
| Current ratio         | Current assets / Current liabilities  | 2.97  | 2.63 |
| Acid test ratio       | Quick assets (Total current assets excluding inventory) / Current liabilities                                   | 2.90  | 2.58 |
| Solvency ratio        | EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt) | 0.42  | 0.57 |
| Debt-to-equity ratio  | Total debt / Total stockholders' equity   | 0.14  | 0.15 |
| Asset-to-equity ratio | Total assets / Total stockholders' equity   | 1.14  | 1.15 |
| Return on equity      | Net income after tax / Average total stockholders' equity   | 0.00  | 0.03 |
| Return on assets      | Net income after tax / Average total assets   | 0.00  | 0.03 |
| Net profit margin     | Net income after tax / Total revenue  | -0.01 | 0.07 |

Increase in current and acid test ratio of 0.34 and 0.32 respectively as compared to 2022.

Solvency ratio slightly decrease by 0.15. Debt-to-equity ratio computed at 0.14 in the current year.

Asset-to-equity ratio recorded at 1.14, a decrease of 0.01 compared to 2022.

Both return on equity and return on asset recorded at 0.00 for 2023, compared to 0.03 of 2022. Net profit margin computed at -0.01 in 2023, compared to 0.07 of 2022.

There are no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

The Club does not have, nor does it anticipate, any cash flow or liquidity problems. The Club is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. There is no significant amount of the Club's trade payables which have not been paid within the stated trade terms.

There are no events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities created during the reporting period.

There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.

There is a known viral outbreak known as Novel Coronavirus (NCov) in mainland China that have resulted to unfavorable impact on net sales or revenues or income from operations.

There are no significant elements of income or loss that did not arise from the Club's operating activities.

There has not been any seasonal aspect that had a material effect on the financial condition or results of operations.

## **2022 vs. 2021**

### **A. Results of Operations**

Total Club revenues for CY 2022 reached ₱282.07 million which was significantly higher than CY 2021 by ₱175.40 million or 164.43%.

- Sale of goods totaled ₱121.94 million or 43.23% of total Club revenues, higher by ₱101.84 million or 506.54 % as compared to last year.
- Service income amounted to ₱82.92 million or 29.40% of total Club revenues, significantly increased by ₱71.15 million or 604.43% as compared to last year.
- Membership dues recorded at ₱64.85 million or 22.99 % of the total Club revenues, higher by ₱2.43 million or 3.89% as compared to last year.
- Transfer Fee for the period reached ₱12.36 million or 4.38% of the total Club revenues, slightly higher by 0.18% as compared to previous year.

Total cost and expenses for the year was recorded at ₱277.07 million which was ₱117.37 million or 73.50% higher as compared last year.

- Cost of sales recorded at ₱107.92 million or 38.95% of total cost and expenses, an increase of ₱65.48 million or 154.28% compared to previous year.
- Cost of services reached at ₱74.04 million or 26.72 % of the total cost and expenses. Higher by ₱27.58 million or 59.38 % compared to previous year.
- General and administrative expenses amounted to ₱95.11 million or 34.33% of total cost and expenses. Higher by ₱24.31 million or 34.34% as compared to previous year.

Other income computed at ₱14.74 million at the end of the year. Lower by ₱7.83 million or 34.68% as compared to CY 2021.

- Increase in the interest income for the year ended 2022, recorded at ₱3.21 million or 1.14% of total Club revenues, higher by ₱3.14 million as compared to last year.
- Miscellaneous income recorded at ₱11.54 million or 4.09% of the total Club revenues, decreased by ₱10.97 million or 48.73% compared to previous year

Provision for income tax computed amounting to ₱0.69 million, higher compared to the prior year due to the MCIT.

After the remeasurement gain on pension liabilities amounting to ₱1.37 million, the Club resulted to a Total Comprehensive Income of ₱20.42 million in CY 2022.

## **B. Financial Condition**

Total assets of the Club as of December 31, 2022 increased to ₱763.90 million from last year's ₱725.68 million. An increase of ₱38.22 million or 5.27%.

- Cash and cash equivalents recorded at ₱23.23 million or 3.04% of total assets, lower by ₱1.67 million as compared from last year of ₱24.90 million.
- As of December 31, 2022, the Club investments in financial assets at fair value through profit or loss amounted to ₱5.13 million, which is 0.67% of total assets. Lower by ₱94.59 million due to transfer of fund to intercompany lending.
- Accounts and other receivables increased from last year of ₱23.17 million to ₱28.18 million of December 31, 2022. Higher by ₱5.01 million or 21.61%.
- Receivables from affiliates increased to ₱152.10 million or 19.91% of total assets, from ₱10.74 million of the prior year. Higher by ₱141.36 million or 1,316.34% as compared to CY 2021.
- Inventories recorded at ₱4.99 million as of December 31, 2022, 0.65% of total assets, ₱ 1.60 million or 47.08% higher compared to prior year of ₱3.39 million.
- Other current assets amounted to ₱21.70 million, 2.84% of total assets, increased by ₱4.28 million or 24.54% compared to previous year balance of ₱17.42 million.

- Property and equipment (net of depreciation), which is 68.74% of total assets, amounted to ₱525.14 million as of December 31, 2022, or a decrease of 3.16% as against last year of ₱542.30 million.
- Advance and other noncurrent assets amounted to ₱3.42 million, or a decrease of 14.87% as compared with previous year of ₱4.02 million.

Total current liabilities of the Club recorded at 11.70% of total Liabilities & Equity, which amounted to ₱89.37 million, 23.68% higher than the previous year of ₱72.26 million.

- Accounts and other payables, recorded at ₱41.39 million, 5.42% of total liabilities and equity, almost in line with prior year of ₱41.35 million.
- Contract liabilities recorded at ₱20.79 million, 2.72% of total liabilities and equity, lower by ₱2.45 million or 10.52% as compared to previous year of ₱23.24 million
- Payables to affiliates recorded an increase of ₱19.51 million or 254.47%, from ₱7.67 million as of December 31, 2021 to ₱27.18 million as of December 31, 2022.

Non-current liability recorded at ₱11.68 million or 1.53% of the Total Liabilities and Equity. Higher by ₱0.69 million or 6.27% as compared to prior year's ₱10.99 million.

- Pension liability computed at ₱10.18 million, 1.33% of total liabilities and equity, an increase of ₱0.15 million as compared to prior year of ₱10.02 million. The movement was due to assumption changes used to calculate the DBO.
- Recorded a deferred tax liability of ₱1.50 million for the year, tax impact of the pension liability recalculation.

### **C. Statement of Cash Flow**

- Cash provided by operating and investing activities for the year ended 2022 was recorded at ₱53.87 million and ₱74.46 million, respectively.
- Cash used in financing activities for year ended 2022 recorded at ₱130.00 million.
- At the end of the year 2022, the cash balance amounted to ₱23.23 million.



## Key Performance Indicators

The Club monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

|                              |   | December 2022 | December 2021 |
|------------------------------|---|---------------|---------------|
| <b>CURRENT RATIO =</b>       | Current Asset                           | 235,336,649   | 179,358,744   |
|                              | Current Liabilities                     | 89,369,539    | 72,261,136    |
|                              |   | <b>2.63</b>   | <b>2.48</b>   |
| <b>DEBT RATIO =</b>          | Total Debt                              | 101,046,809   | 83,249,498    |
|                              | Total Asset                             | 763,898,824   | 725,679,877   |
|                              |   | <b>13.2%</b>  | <b>11.5%</b>  |
| <b>DEBT-EQUITY RATIO =</b>   | Total Debt                              | 101,046,809   | 83,249,498    |
|                              | Total Equity                            | 662,852,015   | 642,430,380   |
|                              |   | <b>15.2%</b>  | <b>13.0%</b>  |
| <b>GROSS PROFIT MARGIN =</b> | Sales - Cost of Sales& Services         | 100,104,940   | 17,772,265    |
|                              | Sales                                   | 282,068,256   | 106,670,861   |
|                              |   | <b>35.5%</b>  | <b>16.7%</b>  |
| <b>FREE CASH FLOW =</b>      | Cash Flow Provided by Operating         | 53,865,543    | 4,895,376     |
|                              | Activities - Cash Flow in Investing and | (55,536,959)  | 7,434,284     |
|                              | Financing Activities                    | (1,671,416)   | 12,329,660    |

Compared with CY 2021, the top five key Club performance indicators in CY 2022 are as follows:

Current Ratio of 2.63:1 increased versus 2.48:1 in 2021, Debt Ratio of 13.2% was higher compared to 11.5% in 2021. Debt-Equity Ratio increased to 15.2% compared to 13.0% in 2021. Gross Profit Margin of 35.5% was significantly higher than 2021 of 16.7%. A net cash decrease of ₱1.67 million for 2022.

There are no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

The Club does not have, nor does it anticipate, any cash flow or liquidity problems. The Club is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. There is no significant amount of the Club's trade payables which have not been paid within the stated trade terms.

There are no events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities created during the reporting period.

There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.

There is a known viral outbreak known as Novel Coronavirus (NCov) in mainland China that have resulted to unfavorable impact on net sales or revenues or income from operations.

There are no significant elements of income or loss that did not arise from the Club's operating activities.

There has not been any seasonal aspect that had a material effect on the financial condition or results of operations.

**Upon the written request of the stockholder, the Club undertakes to furnish said stockholder with a copy of the SEC Form 17-A for the year 2024, and the quarter report for the period March 31, 2025 free of charge. Any written request for a copy of the reports shall be addressed to the following:**

**Anvaya Cove Beach and Natures Club, Inc.  
Anvaya Cove, Morong, Bataan  
Philippines 2108**

**Attention: Neal C. Perez  
Chief Risk Officer, Compliance Officer & Finance Director**

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

### (a) Market Information

ALI and SUDECO sell their shares in the secondary market primarily through GG&A Club Shares Brokers, Inc. The shares of the Club are not being traded in the stock exchange.

The following table shows the selling prices of the shares of the Club for each quarter of the last two (2) fiscal years:

| Quarter of Fiscal Year | Class B Share Price | Class C Share Price |
|------------------------|---------------------|---------------------|
| Q1 2023                | ₱1,800,000          | ₱2,400,000          |
| Q2 2023                | ₱2,200,000          | ₱2,800,000          |
| Q3 2023                | ₱2,200,000          | ₱2,800,000          |
| Q4 2023                | ₱2,400,000          | ₱3,000,000          |
| Q1 2024                | ₱1,800,000          | ₱2,400,000          |
| Q2 2024                | ₱2,200,000          | ₱2,800,000          |
| Q3 2024                | ₱2,200,000          | ₱2,800,000          |
| Q4 2024                | ₱2,900,000          | ₱5,000,000          |

### (b) Holders

There are approximately 2,025 holders of the Club’s shares as of May 31, 2025 (based on number of accounts registered with the Stock Transfer Agent) consisting in 19 holders of Class A shares, 1,499 holders of Class B shares, 110 holders of Class C shares, 1 holder of Class D shares, and 1 holder of Class E shares.

The following are the top holders of each class of common equity securities of the Club:

#### *Class A (Founders’)*

|     | Stockholder Name                                | No. of Shares | Percentage |
|-----|---|---------------|------------|
| 1.  | Ayala Land, Inc.                                | 3,250         | 93.714%    |
| 2.  | Subic Bay Development & Industrial Estate Corp. | 201           | 5.796%     |
| 3.  | Bernard Vincent O. Dy                           | 1             | 0.029%     |
| 4.  | Paullolindo A. Elauria                          | 1             | 0.029%     |
| 5.  | Dindo R. Fernando                               | 1             | 0.029%     |
| 6.  | Antonino T. Aquino                              | 1             | 0.029%     |
| 7.  | Jocelyn F. de Leon                              | 1             | 0.029%     |
| 8.  | Mercedita S. Nollodo                            | 1             | 0.029%     |
| 9.  | Rex Ma. A. Mendoza                              | 1             | 0.029%     |
| 10. | Jessie D. Cabaluna                              | 1             | 0.029%     |
| 11. | Jesus Emmanuel M. Yujuico                       | 1             | 0.029%     |
| 12. | Augusto D. Bengzon                              | 1             | 0.029%     |
| 13. | Others (7 stockholders)                         | 7             | 0.202%     |

**Class B**

|    | <b>Stockholder Name</b>                         | <b>No. of Shares</b> | <b>Percentage</b> |
|----|---|----------------------|-------------------|
| 1. | Ayala Land, Inc.                                | 410                  | 21.03%            |
| 2. | Subic Bay Development & Industrial Estate Corp. | 16                   | 0.82%             |
| 3. | Others (1,497 shareholders)                     | 1,524                | 78.15%            |

**Class C**

|    | <b>Stockholder Name</b>                         | <b>No. of Shares</b> | <b>Percentage</b> |
|----|---|----------------------|-------------------|
| 1. | Ayala Land, Inc.                                | 352                  | 70.40%            |
| 2. | Subic Bay Development & Industrial Estate Corp. | 38                   | 7.6%              |
| 3. | Others (108 shareholders)                       | 110                  | 22%               |

**Class D**

|    | <b>Stockholder Name</b> | <b>No. of Shares</b> | <b>Percentage</b> |
|----|-------------------------|----------------------|-------------------|
| 1. | Ayala Land, Inc.        | 702                  | 100.00%           |

**Class E**

|    | <b>Stockholder Name</b> | <b>No. of Shares</b> | <b>Percentage</b> |
|----|-------------------------|----------------------|-------------------|
| 1. | Ayala Land, Inc.        | 180                  | 100.00%           |

**(c) Dividends**

Article Seventh, Paragraph B (2) of the Club's Amended Articles of Incorporation provides, "xxx No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. 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."

**(d) Recent Sales of Unregistered or Exempt Securities**

There was no sale of unregistered securities of the Club nor the issuance of securities of the Club constituting an exempt transaction in 2017.

**(e) Corporate Governance**

The Club amended the Manual of Corporate Governance on July 8, 2020 in accordance with the provisions of SEC Memorandum Circular No. 24, Series of 2019. The Club is attentive to the rules of the Securities and Exchange Commission ("SEC") so that improvements to its corporate governance policies may be faithfully adopted and implemented. On May 12, 2023, the Club further amended the Manual of Corporate Governance to reflect the include the risk oversight and review of related party transactions functions to the then Audit Committee and thus forming the Audit and Risk Oversight Committee, and to merge the functions of the Corporate Governance Committee and Nomination Committee into a Corporate Governance and Nomination Committee. The changes were still in accordance with the provisions of SEC Memorandum Circular No. 24, Series of 2019.

The Club organized an Executive Committee that will exercise the powers of the Board in the day-to-day

management of the business and affairs of the Club. The amendment of the By-laws to create the Executive Committee was approved by the Securities and Exchange Commission as of January 26, 2010.

There were no deviations from the Club's Manual of Corporate Governance.

# COVER SHEET

SEC Registration Number

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## COMPANY NAME

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## PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

financedept@anvayacove.com

Company's Telephone Number

7793-9000

Mobile Number

N/A

No. of Stockholders

Annual Meeting (Month / Day)

Fiscal Year (Month / Day)

FTY 2024

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Neal C. Perez

Email Address

perez.neal@anvayacove.com

Telephone Number/s

7793-9000

Mobile Number

0917-804-4462

## CONTACT PERSON'S ADDRESS

Anvaya Cove Beach & Nature Club, Morong, Bataan

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

STAMPS

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-A**

**ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended: December 31, 2024
2. SEC Identification Number: CS200502332
3. BIR Tax Identification No.: 005-862-442
4. Exact name of issuer as specified in its charter: ANVAYA COVE BEACH AND NATURE CLUB, INC. (the “Club”)
5. Province, Country or other jurisdiction of incorporation or organization: Morong, Bataan, Philippines
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer’s principal office: Anvaya Cove, Morong, Bataan, Philippines  
Postal Code: 2108
8. Issuer's telephone number, including area code: (02) 7793-9000
9. Former name, former address, and former fiscal year, if changed since last report:  
NOT APPLICABLE
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

| Title of Each Class | Number of Shares of<br>Common Stock Outstanding |
|---------------------|---|
| Common – Class B    | 1,950   |
| Common – Class C    | <u>500</u>                                      |
| TOTAL               | <u>2,450</u>                                    |

11. Are any or all of these securities listed on a Stock Exchange.  
Yes [ ] No [X]

If yes, state the name of such stock exchange and the classes of securities listed therein:

NOT APPLICABLE

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that 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 ☐ [ ]

No ☒ [X]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

Class B Common Shares - Php 2,900,000.00 per share

Class C Common Shares - Php 5,000,000.00 per share



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## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

#### A. Business Development

Anvaya Cove Beach and Nature Club, Inc. (the “Club”) was incorporated under the laws of the Republic of the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on March 28, 2005. The Club was organized primarily to maintain, operate, manage, and carry on the business and operation of a beach and nature club and its facilities in the Municipality of Morong, Province of Bataan, for the amusement, entertainment, recreational and athletic activities of its members on a not-for-profit basis.

The Club officially commenced its commercial operations on March 1, 2008 and its registered address and principal place of business is Morong, Bataan.

#### **Bankruptcy, Receivership or Similar Proceedings**

There are no bankruptcy, receivership or similar proceedings involving the Club.

#### **Material Reclassification, Merger, Consolidation or Purchase or Sale of a Significant Amount of Assets (not ordinary)**

There are no material reclassifications, mergers, consolidations, or purchases or sales of a significant amount of assets involving the Club.

#### B. Business of Issuer

##### Anvaya Cove Beach and Nature Club - 2024: A Year of Elevated Member Experience

In 2024, Anvaya Cove Beach and Nature Club embarked on an exciting journey of transformation and improvement, focused on elevating the overall experience for our cherished members. This year was all about innovation, service excellence, and expanding the activities and offerings that make Anvaya Cove a true sanctuary. From new leadership to enhanced facilities and fresh experiences, we are proud to share the strides made to create a more exceptional club for everyone.

##### New Leadership for Enhanced Service

A key initiative in 2024 was the recruitment of new Heads of Department, who brought fresh expertise and energy to the club. These appointments were aimed at ensuring operational excellence and better guest experiences across all facets of the club. With a renewed leadership team, we were able to improve coordination, efficiency, and innovation, ultimately translating into a more seamless and enjoyable experience for our members.

##### Upgrades in Service and Culinary Offerings

Anvaya Cove has always been known for its impeccable service, and in 2024, we doubled down on our commitment to enhance it further. Our team focused on personalizing service and ensuring that every interaction exceeded expectations. In tandem with service improvements, we also revitalized our culinary offerings. We introduced new menu of Bamboo Café that showcase fresh, locally sourced ingredients, with a variety of options to cater to diverse tastes. Dining at Anvaya Cove became an even

more delightful experience, whether enjoying a casual meal at the clubhouse or a special event on the beach.

#### New Offerings in Anvaya Shop

The Anvaya Shop also underwent a refresh this year, with an expanded selection of curated products that reflected the unique style and spirit of Anvaya Cove. From stylish beachwear to exclusive local crafts, members found a variety of new offerings to take home as keepsakes or gifts. The upgraded shop experience made it easier for our members to indulge in something special that encapsulates the charm of the club.

#### New Activities: Hikes, Island Tours, and More

In 2024, we introduced new and exciting ways to explore and experience the beauty of Anvaya Cove. Guided hikes and island tours became popular activities, allowing our members to discover the lush landscapes, hidden coves, and tranquil beaches surrounding the area. These new outdoor activities offered an opportunity to reconnect with nature and experience the club in a more intimate and immersive way.

#### Renovations and New Sports Activities

Anvaya Cove also invested in its sports facilities, ensuring that our members continue to have access to world-class amenities. Our tennis court was completely renovated, bringing a fresh and modern look to this beloved space. But we didn't stop there—this year, we introduced two exciting new activities: pickleball and beach paddle. These fun, dynamic sports quickly became favorites among members, offering a new way to stay active while enjoying the beauty of Anvaya Cove.

Additionally, we were pleased to offer free tennis and pickleball clinics, allowing both beginners and seasoned players to improve their skills and enjoy friendly competition. These clinics were a fantastic opportunity for members to learn from experts and engage with the vibrant Anvaya community.

#### Looking Ahead to 2025 and Beyond

The improvements made in 2024 represent just the beginning of Anvaya Cove's commitment to providing an unparalleled experience for our members. As we move forward, we will continue to innovate and enhance our offerings to ensure that every visit to Anvaya Cove is memorable, relaxing, and full of exciting new experiences. Whether you're seeking tranquility, adventure, or simply a place to connect with others, Anvaya Cove will remain the perfect destination for those looking to escape the ordinary.

#### **Principal Products or Services Contributing 10% or More to Sales or Revenues**

Sale of goods which consist of sales of food, beverage and merchandise contributed 37.33% of the total Club revenues.

Service income consists of room accommodation, guest fees, spa and massage revenues, rental of water sports equipment, which collectively brought in 31.76% of the total Club revenues.

Membership dues contributed 28.33% of total Club revenues.

#### **Percentage of Sales or Revenues Contributed by Foreign Sales**

All income of the Club is derived from domestic sales of goods and services; hence, the Club has no

foreign sales.

### **Distribution Methods of Products Services**

As the Club is an exclusive membership club, updates of its products and services are sent by e-mail blasts to Club members as well as Club updates.

### **New Products or Services**

The Club has not introduced new products or services other than as provided hereunder.

### **Competition**

The leisure market has proved to be of interest amongst numerous land development organizations due to the extensive promotion of the industry, escalation of the market segment seeking vacation destinations, and increase in the interest of the natural environment and tourism. Several competitors are considered since they are well-known throughout the industry.

Belle Corporation's Tagaytay Highlands Country Club offers an array of various experiences for the entire family. The club complements the vacation residential development already set-up along the sprawling hills of Tagaytay. The primary attraction of the club is the highlands golf course.

Timberland Sports and Nature Club by Filinvest Land, Inc. is another development that is in mountains and nature setting. The club offers nature treks and various sports with modern facilities. Membership in the club can only be acquired by referrals and invitations.

Hamilo Coast Beach and Country Club is a project of SM Investments Corporation which tries to provide a tropical destination that is also Eco-friendly. The club envisions the promotion of Eco-tourism in the Philippines.

Punta Fuego is a LandCo Pacific Corporation development that provides an exclusive resort that takes advantage of its strategic location by the sea. It has several sports and relaxation facilities that provide services for its members.

The abovementioned developers are just a few of the competitors in Central Luzon; however, there are two major competitors that must be considered because of their proximity to the Project. These are Subic Bay Yacht Club (SBYC) and Club Morocco.

SBYC is a membership club that offers berthing facilities for different types of seagoing vessels. It frequently hosts events such as regattas and other boat races. It has a clubhouse with dining facilities. SBYC was launched in April of 1997 with an offering of 3,000 shares. The membership club promotes its innovative design that creates the perfect ambience targeting the upper market. The segment targeted by the club includes primarily water sportsmen and businessmen with their families.

Club Morocco is a leisure development by Sta. Lucia Realty and Development Corporation that offers residential lots in a beach resort setting. It has water views and offers activities such as swimming, sailing, and fishing. It has a hotel with 24-twin sharing rooms, 4 suites, coffee shops, restaurants, a gym, boutiques, a lake-type pool, and game rooms. There are also expansion plans for an 18-hole championship golf course with a clubhouse and residential golf course community.

The Club intends to set itself apart from the foregoing clubs and other leisure clubs in the country by providing a unique interactive experience for its members in the context of a natural setting by making accessible in-nature facilities. It will also offer a wide variety of nature-based activities which the other clubs do not make available. The competitive advantage of the Club is in its setting which provides a

dramatic landscape of foothills, forest and beach.

### **Sources and Availability of Raw Materials**

The Club has no major existing supply contracts. Raw materials such as food and vegetables, beverage, and drinks as well as operational supplies are sourced from the open market onsite and from Manila. Power is supplied by Penelco and water is supplied by Manila Water Philippine Ventures (MWPV) and through a deep well. Diesel and gasoline are supplied by local petrol stations located within the vicinity of the Club.

### **Customer Base**

The business of the Club is in no way dependent upon a single customer or few customers the loss of any one or more of which would have a material adverse effect on the business of the Club. Being a membership Club, there are no major existing sales contracts by the Club with an individual or entity.

### **Transactions with Related Parties**

The Club, in the normal course of business, entered into transactions with Ayala Land, Inc. (ALI), a stockholder, and an affiliate, Anvaya Cove Golf and Sports Club Inc. (Golf Club), consisting primarily of reimbursement of cost and expenses.

The Club entered into a Management Agreement with Ayalaland Premier Inc. (ALPI), for the latter to provide management services over general management, administration, financial management, human resources management, and property management of the Club. Management fees include the basic management fee amounting to ₱318,079 per month with an escalation clause of 7.5% per annum and incentive fee equivalent to 3% of the Gross Operating Profit (GOP).

The Club has a Reciprocity Agreement with Golf Club wherein the members of the Club may use the sports facilities of the Golf Club, and the members of the Golf Club may use the beach and other facilities of the Club.

### **Intellectual Property and Other Rights**

The Club has secured the registration of the stylized version of its name “Anvaya Cove Beach and Nature Club” on January 2, 2020 from the Philippine Intellectual Property Office. The Club has not entered into any franchises, concessions and royalty agreements.

### **Government Approvals**

The principal product and service of the Club consists in the provision of amenities for leisure and recreation for its members. No special government approvals are required for the provision of such services.

The Club renews annually its business permit with the Municipality of Morong.

### **Effect of Government Regulations**

The following are the key changes to the Philippine tax law which have an impact on the Club:

#### **Ease of Paying Taxes (EOPT) Act**

On 5 January 2024, RA No 11976 or the Ease of Paying Taxes Act (EOPT Act) was signed into law. This is a significant tax reform law aimed at improving the ease and efficiency of the tax compliance

process for businesses and individuals in the Philippines. Below is a summary of the key highlights of the EOPT Act:

- Simplification of tax filing and payment procedures
- Removal of certain documentary requirements when substantiating invoices for the purpose of claiming input VAT
- Enhancements to taxpayer services
- Introduction of electronic tax payments to remit taxes, promoting cashless transactions and reducing errors in manual processes
- Modernization of tax systems, including the automation of tax assessments, collections, and the enforcement of tax compliance
- Tax rate reductions for small and medium enterprises (SMEs) in an effort to promote business growth and sustainability
- Stricter penalties for non-compliance with tax filing deadlines or failure to use the digital systems established under the law
- Strengthened Taxpayer Education Programs to ensure that businesses and individuals are aware of their tax obligations and the available digital tools for compliance
- Revised Taxpayer Identification System (Small, Medium, and Large Taxpayers)

Effective January 22, 2024, the Bureau of Internal Revenue (BIR) will cease collecting the Annual Registration Fee (ARF) from business taxpayers. This change complies with the Republic Act No. 11976, the “Ease of Paying Taxes Act”. As a result, business taxpayers are exempt from filing BIR Form No. 0605 and paying the Five Hundred Pesos (PHP 500.00) ARF on or before January 31 every year. Business taxpayers with existing BIR Certificate of Registration (COR) that includes the Registration Fee will retain its validity.

#### **Development Activities**

No amounts were spent by the Club on development activities.

#### **Environmental Compliance**

The Club allocates a portion of the membership dues for the Environmental Fund which is utilized for environmental initiatives of the Club. For the year 2024, the Club collected a total of ₱2.24million for the Environmental Fund. The Club has spent ₱0.20 million to cover the costs and expenditures for its different programs for the protection and conservation of the environment.

#### **Club Employees**

As of December 2024, the Club was operated through its complement of approximately three hundred three (303) permanent and contractual employees, the breakdown of which is as follows:

|               | <b>Organic</b> | <b>Non-organic</b> | <b>Total</b> |
|---------------|----------------|--------------------|--------------|
| Managers      | 21             | –                  | 21           |
| Rank and file | 59             | 223                | 282          |
| <b>Total</b>  | <b>80</b>      | <b>223</b>         | <b>303</b>   |

Of the 80 organic employees, 21 perform administrative functions, 16 perform clerical functions, and 43 perform operational functions.

Of the 223 non-organic employees, 15 perform clerical functions, and 208 perform operational functions.

There are no Collective Bargaining Agreements entered into by the Club with its employees. The

Club's employees have not been on strike in the past 3 years nor have they threatened to strike.

The employees are entitled to the thirteenth-month pay and performance bonus.

### **Risks in Business of the Club**

As a leisure club located along the beach and forested areas of Bataan, the business of the Club is vulnerable to natural calamities and adverse weather conditions. To encourage member and guest attendance during the lean season, the Club offers lower rates for room accommodations, a flexible approach during weekends of allowing guests of members to have access to the services of the Club even if unaccompanied by members, and more aggressive event, food, and beverage promotions. In all instances, the Club ensures a manageable number of members and guests coming to visit.

### **Item 2. Properties**

The facilities and amenities of the Club lie on seven (7) adjoining parcels of land with an aggregate area of approximately 94,147 square meters. The Club is the registered owner of three (3) of the seven (7) parcels constituting approximately 65,147 square meters, while it has legal and physical possession of the remaining four (4) parcels through long-term lease agreements separately entered into with its registered owners, ALI and Subic Bay Development and Industrial Estate Corporation (SUDECO). The lease agreements respectively provide for a term of 25 years, renewable for another 25 years at the option of the Club, in consideration for the payment by the Club of real property tax and other assessments. The lease agreements respectively grant to the Club the rights of full usage and possession of the leased parcels and provide that ALI and SUDECO are committed to respect the rights of the Club, its members, guests, customers and employees to use and enjoy the leased parcels and the facilities and improvements built thereon.

The structures and improvements belonging to the Club consist of the constructed facilities and amenities. Currently, these consist in the Welcome Pavilion, Bridge-way, Main Pavilion, Game Lounge, Library Lounge, Music Lounge, Convenience Shop, Clinic, Function Rooms, The Great Lawn, Lagoon, The Pools at Anvaya, bathhouses, Seahorse Kiddie Pavilion, Beach Cabanas, Pawikan Beach Bar and Grill, Pawikan Barbecue House, Tower and Bar, Veda Spa, Sunset Bar and 40 units constituting the multi-dwelling units as well as 5 units constituting the Managers' Quarters.

The property, plant and equipment are properly maintained as the Club is setting aside a restricted fund for its maintenance and improvements. Depreciation of property and equipment commences once the property and equipment are available for use and is computed on straight-line basis over the estimated useful lives of the property and equipment as follows:

|                                   |          |
|-----------------------------------|----------|
| Land improvements                 | 25 years |
| Buildings                         | 35 years |
| Furniture, fixtures and equipment | 5 years  |

There is no mortgage, lien or encumbrance on the properties owned by the Club.

### **Item 3. Legal Proceedings**

The Club is currently involved in a legal proceeding. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Club's management, in consultation with its legal counsel, believes that the outcome of these legal proceedings will not have a material adverse effect on the Club's financial position or operating results. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

#### **Item 4. Submission of Matters to a Vote of Security Holders**

A general annual meeting of stockholders was held virtually on July 26, 2024. The following actions were approved by a vote of at least majority of the shareholders present to vote at such meeting:

- (a) Approval of the Minutes of the 2023 Annual General Stockholders' Meeting held on August 4, 2023;
- (b) Noting of the President's Annual Report and approval of the 2023 Audited Financial statements;
- (c) Ratification of the acts of the Board of Directors and Management beginning August 4, 2023 until July 26, 2024, covering the following matters:
  - i) Election of officers;
  - ii) Appointment of Chairpersons, members of the Board Committees, and Lead Independent Director;
  - iii) Approval of the 2023 first half financial and operating results
  - iv) Approval of the 2023 external audit plan
  - v) Approval of the rescheduling of the 2023 annual stockholders' meeting from July 28, 2023 to August 4, 2023
  - vi) Approval of the 2023 third quarter financial and operating results
  - vii) Approval of the 2024 internal audit plan
  - viii) Approval of the 2024 operating and capital expenditure budget
  - ix) Approval of the pet policy
  - x) Approval of the Christmas fund special assessment
  - xi) Approval of the 2024 Board meeting schedule
  - xii) Approval of the 2023 financial audit results
  - xiii) Approval of the Management Representation letter
  - xiv) Approval of the 2023 financial and operating results
  - xv) Approval of the report of the Audit and Risk Oversight Committee to the Board
  - xvi) Approval of the 2023 performance bonus and cash incentives
  - xvii) Approval of the updating of Attorneys-in-Fact for general transactions
  - xviii) Approval of the updating of Attorneys-in-Fact for legal proceedings
  - xix) Approval of the 2024 first quarter financial and operating results
  - xx) Approval of the appointment external auditor and audit fee
  - xxi) Approval of the auction of delinquent shares
  - xxii) Approval of the schedule of the 2024 annual stockholders' meeting
  - xxiii) Approval of the participation and voting by remote communication in all meetings of the stockholders
  - xxiv) Approval of the delegation of authority to the Corporate Governance and Nomination Committee to approve the final list of nominees to the Board
- (d) Election of the members of the Board of Directors, including independent directors, for the ensuing calendar year for 2024 to 2025. The following shareholders were nominated and elected as members of the Board of Directors of the Club for the ensuing year or until their successors are duly elected and qualified:

#### **AYALA LAND, INC. (ALI)**

- 1. Bernard Vincent O. Dy
- 2. Antonino T. Aquino
- 3. Dindo R. Fernando



4. Joseph Carmichael Z. Jugo
5. Mercedita S. Nollado
6. Paolo O. Viray

#### **SUDECO**

1. Jocelyn F. De Leon
2. Paulloolindo A. Elauria

#### **INDEPENDENT DIRECTORS**

1. Jessie D. Cabaluna
2. Rex Ma. M. Mendoza
3. Jesus Emmanuel M. Yujuico

(e) Election of PwC Isla Lipana & Co. (PwC) as external auditor and the fixing of its remuneration

There were no votes cast against or withheld, nor were there abstentions on the foregoing actions. Proxies were requested to be issued in the name of the Chairman.

### **PART II - OPERATIONAL AND FINANCIAL INFORMATION**

#### **Item 5. Market for Issuer's Common Equity and Related Stockholder Matters**

##### **A. Market Information**

ALI and SUDECO sell their shares in the secondary market primarily through GG&A Club Shares Brokers, Inc. The shares of the Club are not being traded in the stock exchange.

The following table shows the selling prices of the shares of the Club for each quarter of the last two (2) fiscal years:

| Quarter of Fiscal Year | Class B Share Price | Class C Share Price |
|------------------------|---------------------|---------------------|
| Q1 2023                | P1,800,000          | P 2,400,000         |
| Q2 2023                | P2,200,000          | P 2,800,000         |
| Q3 2023                | P2,200,000          | P 2,800,000         |
| Q4 2023                | P2,400,000          | P 3,000,000         |
| Q1 2024                | P2,400,000          | P 3,000,000         |
| Q2 2024                | P2,400,000          | P 3,000,000         |
| Q3 2024                | P2,400,000          | P 3,000,000         |
| Q4 2024                | P2,900,000          | P5,000,000          |

As of the end of December 2024, the Club has sold the following number of shares:

| Share        | Volume       | Value             |
|--------------|--------------|-------------------|
| Class B      | 1,950        | P1,950,000        |
| Class C      | 500          | 500,000           |
| <b>Total</b> | <b>2,450</b> | <b>P2,450,000</b> |

##### **B. Stockholders**

The Club has a total of about 2,025 holders of the Club's shares as of December 31, 2024 (based on number of accounts registered with the Stock Transfer Agent) consisting in 19 holders of Class A shares, 1,499 holders of Class B shares, 109 holders of Class C shares, 1 holder of Class D shares, and 1 holder

of Class E shares.

The following are the top holders of each class of common equity securities of the Club:

***Class A (Founders') Shares***

|     | <b>Stockholder Name</b>                         | <b>No. of Shares</b> | <b>Percentage per Class of Shares</b> |
|-----|---|----------------------|---------------------------------------|
| 1.  | Ayala Land, Inc.                                | 3,250                | 93.71%                                |
| 2.  | Subic Bay Development & Industrial Estate Corp. | 201                  | 5.80%                                 |
| 3.  | Antonino T. Aquino                              | 1                    | 0.03%                                 |
| 4.  | Bernard Vincent O. Dy                           | 1                    | 0.03%                                 |
| 5.  | Dindo R. Fernando                               | 1                    | 0.03%                                 |
| 6.  | Jessie D. Cabaluna                              | 1                    | 0.03%                                 |
| 7.  | Jesus Emmanuel M. Yujuico                       | 1                    | 0.03%                                 |
| 8.  | Jocelyn F. De Leon                              | 1                    | 0.03%                                 |
| 9.  | Mercedita S. Nollodo                            | 1                    | 0.03%                                 |
| 10. | Paullolindo A. Elauria                          | 1                    | 0.03%                                 |
| 11. | Rex Ma. A. Mendoza                              | 1                    | 0.03%                                 |
| 12. | Others  | 8                    | 0.23%                                 |

***Class B Shares***

|    | <b>Stockholder Name</b>                         | <b>No. of Shares</b> | <b>Percentage per Class of Shares</b> |
|----|---|----------------------|---------------------------------------|
| 1. | Ayala Land, Inc.                                | 412                  | 21.13%                                |
| 2. | Subic Bay Development & Industrial Estate Corp. | 16                   | 0.82%                                 |
| 3. | Others (1,497 Shareholders)                     | 1,522                | 78.05%                                |

***Class C Shares***

|    | <b>Stockholder Name</b>                         | <b>No. of Shares</b> | <b>Percentage per Class of Shares</b> |
|----|---|----------------------|---------------------------------------|
| 1. | Ayala Land, Inc.                                | 352                  | 704%                                  |
| 2. | Subic Bay Development & Industrial Estate Corp. | 39                   | 7.8%                                  |
| 3. | Others (109 Shareholders)                       | 109                  | 23.18%                                |

***Class D Shares***

|    | <b>Stockholder Name</b> | <b>No. of Shares</b> | <b>Percentage per Class of Shares</b> |
|----|-------------------------|----------------------|---------------------------------------|
| 1. | Ayala Land, Inc.        | 702                  | 100.00%                               |

***Class E Shares***

|    | <b>Stockholder Name</b> | <b>No. of Shares</b> | <b>Percentage per Class of Shares</b> |
|----|-------------------------|----------------------|---------------------------------------|
| 1. | Ayala Land, Inc.        | 180                  | 100.00%                               |

## **C. Dividends**

Article Seventh, Paragraph B (2) of the Club's Amended Articles of Incorporation provides, "xxx No profit shall inure to the exclusive benefit of any of its shareholders, hence, no dividends shall be declared in their favor. 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."

## **D. Recent Sales of Unregistered or Exempt Securities**

There was no sale of unregistered securities of the Club nor the issuance of securities of the Club constituting an exempt transaction in 2024.

## **Item 6. Management's Discussion and Analysis**

### **A. Results of Operations**

Total Club revenues for CY 2024 reached ₱308.32 million, higher than CY 2023 by ₱23.86 million or 8.39%.

- Sale of goods totaled ₱115.10 million or 37.33% of total Club revenues, lower by ₱0.18 million or 0.16% lower as compared to last year.
- Service income amounted to ₱97.92 million or 31.76% of total Club revenues, increased by ₱2.40 million or 2.52% as compared to last year.
- Membership dues recorded at ₱87.36 million or 28.33% of the total Club revenues, higher by ₱21.53 million or 32.71% as compared to last year.
- Transfer Fee for the period reached ₱7.94 million or 2.57% of the total Club revenues, higher by 1.37% as compared to previous year.

Total cost and expenses for the year recorded at ₱329.55 million which was ₱21.45 million or 6.96% higher as compared last year.

- Cost of sales recorded at ₱121.11 million or 36.75% of total cost and expenses, an increase of ₱2.81 million or 2.38% compared to previous year.
- Cost of services reached at ₱84.62 million or 25.68 % of the total cost and expenses. Higher by ₱2.83 million or 3.46 % compared to previous year.
- General and administrative expenses amounted to ₱123.82 million or 37.57% of total cost and expenses. Higher by ₱15.80 million or 14.63% as compared to previous year.

Other income computed at ₱23.32 million at the end of the year. Higher by ₱0.32 million or 1.37% as compared to CY 2023.

- Decrease in the interest income for the year ended 2024, recorded at ₱9.39 million or 3.05% of total Club revenues, lower by ₱0.29 million or 2.96% as compared to last year.
- Miscellaneous income recorded at ₱13.93 million or 4.52% of the total Club revenues, increased by ₱0.60 million or 4.52% compared to previous year

Provision for income tax computed amounting to ₱1.19 million, 41.64% higher as compared to the prior year.

After the remeasurement gain on pension liabilities amounting to ₱0.85 million, the Club resulted to a Total Comprehensive Income of ₱1.75 million in CY 2024.

## **B. Financial Condition**

Total assets of the Club as of December 31, 2024 recorded at ₱750.56 million, a decrease of ₱1.37 million or 0.18% from last year's ₱751.93 million.

- Cash and cash equivalents recorded at ₱30.30 million or 4.04% of total assets, higher by ₱14.34 million as compared from last year of ₱15.95 million.
- As of December 31, 2024, the Club investments in financial assets at fair value through profit or loss amounted to ₱1.04 million, which is 0.14% of total assets. Lower by ₱4.32 million or 80.56% decrease from last prior year's ₱5.36 million.
- Accounts and other receivables increased from last year of ₱27.53 million to ₱31.64 million of December 31, 2024, higher by ₱4.11 million or 14.94%.
- Receivables from affiliates decreased to ₱146.56 million, 19.53% of total assets, from ₱148.58 million of the prior year. Lower by ₱2.01 million or 1.36% as compared to CY 2023.
- Inventories recorded at ₱5.32 million as of December 31, 2024, 0.71% of total assets, ₱0.20 million or 3.82% higher compared to prior year of ₱5.12 million.
- Other current assets amounted to ₱25.56 million, 3.41% of total assets, increased by ₱0.20 million or 0.80% compared to previous year balance of ₱25.36 million.
- Property and equipment (net of depreciation), which is 67.69% of total assets, amounted to ₱508.02 million as of December 31, 2024, a decrease of 2.36% as against last year of ₱520.32 million.
- Advance and other noncurrent assets amounted to ₱2.12 million, decrease by 42.82% as compared with previous year of ₱3.70 million.

Total current liabilities of the Club recorded at 9.64% of total Liabilities & Equity, which amounted to ₱72.33 million, 5.85% lower than the previous year of ₱76.82 million.

- Accounts and other payables, recorded at ₱46.96 million, 6.26% of total liabilities and equity, significantly lower by 10.56% compared with prior year of ₱52.50 million.
- Contract liabilities recorded at ₱24.10 million, 3.21% of total liabilities and equity. Slightly higher by ₱2.10 million or 9.55% as compared to previous year of ₱21.99 million.
- Payables to affiliates recorded at ₱1.27 million, 0.17% of total liabilities and equity. A decrease of 45.30% or ₱1.05 million, from ₱2.32 million as of December 31, 2023.

Non-current liability recorded at ₱15.34 million or 2.04% of the Total Liabilities and Equity. Higher by ₱1.38 million or 9.87% as compared to prior year's ₱13.96 million.

- Pension liability computed at ₱13.63 million, 1.82% of total liabilities and equity, an increase of ₱1.09 million as compared to prior year of ₱12.54 million. The movement was due to assumption changes used to calculate the DBO.

- Recorded a deferred tax liability of ₱1.71 million for the year, movement referred to tax impact of the pension liability recalculation.

### C. Statement of Cash Flow

- Cash provided (used) by operating and investing activities for the year ended 2024 was recorded at ₱40.96 million and (₱26.62) million, respectively.
- At the end of the year 2024, the cash balance amounted to ₱30.30 million.

### Key Performance Indicators

The Club monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

| Ratio                 | Formula   | 2024 | 2023   |
|-----------------------|---|------|--------|
| Current ratio         | Current assets / Current liabilities  | 3.32 | 2.97   |
| Acid test ratio       | Quick assets (Total current assets excluding inventory)/ Current liabilities                                    | 2.90 | 2.57   |
| Solvency ratio        | EBITDA / Total debt (Total debt includes short-term debt, long-term debt and current portion of long-term debt) | 0.50 | 0.42   |
| Debt-to-equity ratio  | Total debt / Total stockholders' equity   | 0.13 | 0.14   |
| Asset-to-equity ratio | Total assets / Total stockholders' equity   | 1.13 | 1.14   |
| Return on equity      | Net income after tax/ Average total stockholders' equity  | 0.00 | 0.00   |
| Return on assets      | Net income after tax / Average total assets   | 0.00 | 0.00   |
| Net profit margin     | Net income after tax / Total revenue  | 0.00 | (0.01) |

Current ratio increases from 2.97 of prior year to 3.32 in 2024.

Acid test ratio increases by 0.33 as compared to prior year.

Solvency ratio increases by 0.08. Debt-to-equity ratio computed at 0.13 in the current year.

Asset-to-equity ratio recorded at 1.13, a decrease of 0.01 compared to 2023.

Both return on equity and return on asset recorded at 0.00 for 2024 and 2023.

Net profit margin computed at 0.00 in 2024, compared to (0.01) of 2023.

There are no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Club's liquidity increasing or decreasing in any material way.

The Club does not have, nor does it anticipate, any cash flow or liquidity problems. The Club is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments. There is no significant amount of the Club's trade payables which have not been paid within the stated trade terms.

There are no events that will trigger direct or contingent financial obligation that is material to the Club, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Club with unconsolidated entities created during the reporting period.

There is no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.

There is a known viral outbreak known as Novel Coronavirus (NCov) in mainland China that have resulted to unfavorable impact on net sales or revenues or income from operations.

There are no significant elements of income or loss that did not arise from the Club's operating activities.

There has not been any seasonal aspect that had a material effect on the financial condition or results of operations.

#### **Item 7. Financial Statements**

The 2024 Audited Financial Statements are attached hereto and form an integral part hereof as **Annex A**.

#### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

The Club has engaged the services of Isla Lipana & Co. (PricewaterhouseCoopers) for fiscal year 2024 and 2023. There were no disagreements with PwC on any matter of accounting and financial disclosure.

### **PART III - CONTROL AND COMPENSATION INFORMATION**

#### **Item 9. Directors and Executive Officers of the Issuer**

##### **Board of Directors**

The members of the Board of Directors of the Club as of December 31, 2023 are as follows:

| <b>Director</b>           | <b>Nationality</b> |
|---------------------------|--------------------|
| Antonino T. Aquino        | Filipino           |
| Bernard Vincent O. Dy     | Filipino           |
| Jocelyn F. De Leon        | Filipino           |
| Paullolindo A. Elauria    | Filipino           |
| Dindo R. Fernando         | Filipino           |
| Joseph Carmichael Z. Jugo | Filipino           |
| Mercedita S. Nollado      | Filipino           |
| Paolo O. Viray            | Filipino           |
| Jessie D. Cabaluna        | Filipino           |
| Rex Ma. A. Mendoza        | Filipino           |
| Jesus Emmanuel M. Yujuico | Filipino           |

## Independent Directors

The stockholders of the Club have elected Messrs. Rex Ma. A. Mendoza and Jesus Emmanuel M. Yujuico, and Ms. Jessie D. Cabaluna as independent directors in compliance with the requirements of the SRC Rule 38.

## Executive Officers

The executive officers of the Club since December 31, 2024 are as follows:

| Position   | Officer                        |
|--|--------------------------------|
| President  | Paullolindo A. Elauria         |
| Vice President   | Joseph Carmichael Z. Jugo      |
| Treasurer  | Dindo R. Fernando              |
| Finance Director, Compliance Officer, and Chief Risk Officer | Neal C. Perez                  |
| General Manager  | Heidi Rosalie R. Hocson        |
| Corporate Secretary  | Maria Franchette M. Acosta     |
| Assistant Corporate Secretary                                | Maria Paula G. Romero-Bautista |
| Data Protection Officer                                      | Roscoe M. Pineda               |

## Comprehensive Background

The following describes the relevant business experience of the Club's directors and officers for the past five (5) years:

**Antonino T. Aquino**, 77, Filipino, has served as Director of the Club since 2009. He has also served as Director of ALI since April 2009. He is also a Director of Manila Water Company, Inc. (MWC), another publicly listed company, since 1999. He was the President of ALI from April 2009 to April 2014, of MWC from April 1999 to April 2009, and of Ayala Property Management Corporation from 1989 to 1999. He was connected with IBM Philippines, Inc. since 1968 and was Business Unit manager when he left in 1980. He has been with the Ayala Group in various capacities for the past forty-one (41) years and has held the position of Senior Managing Director in Ayala Corporation. Currently, he is a Director of the following non-listed companies: AIA Philippines Life & General Insurance Co., Nuevocentro, Inc., and Mano Amiga Academy, Inc. He is a member of the Multi Sectoral Advisory Board of the Philippine Army and the Multi Sector Governance Council of the Armed Forces of the Philippines. He is in the Advisory Board of Hero Foundation. He was named "Co- Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership. In 2015. Recently he was conferred as Honorary Fellow by the Institute of Corporate Directors (ICD). He earned a degree in BS Management and completed academic requirements for Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively

**Bernard Vincent O. Dy**, 61, was the former President and CEO of ALI from April 2014 until September 2023. He was a Senior Managing Director of Ayala Corporation, and a member of the Ayala Group Management Committee from April 2014 until September 2023. He is a director of publicly-listed companies, AREIT, Inc. and Avaland Berhad of Malaysia. Concurrently, he is the Chairman of Aviana Development Corp. and Ayagold Retailers, Inc.; Vice Chairman of Alviera Country Club, Inc. and Director of AKL Properties, Inc., Alabang Commercial Corporation, Altaraza Development Corporation, Aurora Properties Incorporated, Avencosouth Corp., Ayala Greenfield Development Corporation, Ayaland-Tagle Properties, Inc., Berkshires Holdings, Inc., BGWest Properties, Inc., Bonifacio Land Corporation, Ceci Realty Inc., Columbus Holdings, Inc., Emerging City Holdings, Inc., Fort Bonifacio Development Corporation, Serendra, Inc., Station Square East Commercial Corporation,

and Vesta Property Holdings, Inc. He is also the President of Bonifacio Art Foundation, Inc. and Hero Foundation Inc.; member of the Board of Trustees of Ayala Foundation, Inc., advisor of Alveo-Federal Land Communities, Inc.; and, Director of the Junior Golf Foundation of the Philippines since 2010 and Vice Chairman since 2017. Mr. Dy earned a degree of BBA in Accountancy from the University of Notre Dame in 1985, an MBA in 1989, and Masters in International Relations in 1997 from the University of Chicago.

**Jocelyn F. De Leon**, 64, Filipino, has served as Director of the Club since 2011. She is the Executive Vice President-Marketing and Director of SUDECO. She is presently Director of Philippine Petrochemical Products, Inc.; Executive Vice President and Director of Solar Plastics Corporation; Chief Executive Officer/Vice Chairman of the Board and Director of Subic West Integrated Dev. Corporation; Director of Seaport Development & Industrial Corporation; Corporate Secretary and Director of Zambales Farms & Forest Dev. Inc.; and Director of Silangguin Bay Corporation. She was formerly General Manager of Premier Creative Packaging Inc. until September 2003 and Business Manager and Accountant of Ekistic Mobility Consultant, Inc., a corporation domiciled in Torrance, California USA, a position she held until October 1993. She was also former General Manager of Lowell Cost Plus Inc., a corporation domiciled in Redondo Beach California, USA, and Corporate Planner in Phil. Petrochemical Products Inc. in Makati City, Philippines. Ms. De Leon graduated with a degree in Bachelor Science, Major in Marketing at the De La Salle University in Manila on March 1986 and took post-graduate studies at the same university in Masters in Business Administration.

**Paullolindo A. Elauria**, 58, Filipino, has served as the President of the Club since October 17, 2017 and Director of the Club since its incorporation in 2005. He also serves as a Director and Vice President for Operations of Anvaya Cove Golf and Sports Club, Inc. He has been the President of SUDECO since 2002. He is also the President of the Philippine Petrochemical Products, Inc., Seaport Development and Industrial Corporation, Leungs Holdings, Inc., Subic West Integrated Development Corporation, Sideli International Trading Corporation, Zambales Farms and Forest, Inc., Shining Star Corporation, and Subic West Development Corporation. He holds a Bachelor of Laws Degree from the Manuel L. Quezon University and passed the bar in 1992. Atty. Elauria is also a Professor of Commercial, Civil, and Labor Laws, having taught at De La Salle University and Manuel L. Quezon University. He graduated with a Bachelor's degree in Mathematics for Teachers from the Philippine Normal University in 1986 and Bachelor of Laws at the Manuel L. Quezon University in 1992. He is the Founder, President and Commissioner of the Professional Chess Association of the Philippines, the first and only government-licensed professional chess league in the world.

**Dindo R. Fernando**, 55, Filipino, has served as a Director and Treasurer of the Club since March 14, 2017. He holds the position of Vice President of Ayala Land Inc. and is concurrently the Head of the External Affairs Division. Presently, he is a Board Member of the Makati Parking Authority, Corporate Secretary of Santa Rosa (Laguna) Business Club, Board Member of the Calamba City Business Club and Vice President of Avida Towers Makati West Condominium Corporation. Prior to joining ALI, he was Head of Political Research at the Makati Business Club where he oversaw congressional research, analysis and publication. He graduated with a degree in AB Political Science from the Lyceum of the Philippines in 1989.

**Joseph Carmichael Z. Jugo**, Filipino, 50, has served as a Director and President of the Club since July 6, 2017. He is a Senior Vice President and member of the Management Committee of ALI. He is concurrently Chairman & President of OLC Development Corp., Roxas Land Corp., Southportal Properties, Inc.; Chairman of Ayala Hotels, Inc., Verde Golf Development Corp., Anvaya Environmental Foundation, Inc.; Director, President, & Chief Executive Officer of Ayala Greenfield Development Corp., Ayala Greenfield Golf & Leisure Club, Inc.; Director & President of Ayalaland Premier, Inc., Ayalaland-Tagle Properties, Inc., and BGWest Properties Inc.; Director & Vice President of Anvaya Cove Beach & Nature Club, Inc.; President of Garden Towers Condo Corp.; Director of Amicassa Process Solutions, Inc., Serendra, Inc., Ayala Center Estate Association, and Algofil Inc.. In his almost 20 years in the company, he has been a part of and handled various business lines including



business development for the retail and malls group, project development for the residential business group, project development for the leisure group and sales for the local and international markets. He graduated from the Ateneo de Manila with a degree in Management Economics in 1997 and completed his MBM from the Asian Institute of Management (with Distinction) in 2002. He attended the International Graduate Student Exchange Program at the Tuck School of Business, Dartmouth College in 2002 and completed the INSEAD Asian International Executive Programme (AIEP) in 2015.

**Mercedita S. Nollado**, Filipino, 83, is currently a member of the Board of Trustees of Ayala Foundation, Inc., BPI Foundation, Inc., Advisory Board of Ayala Land, Inc. and the BPI Advisory Council. She also served as member of the Board of Directors of BPI for thirty years from 1991 to 2021. She likewise served as the Chairman of the BPI's Retirement & Pension Committee and a member of the Corporate Governance Committee. She was a member of the Board of Directors of Ayala Corporation from 2004 until September 2010. Mrs. Nollado is a Non-Executive Director of Xurpas, Inc. and an Independent Director of D&L Industries, Inc., both PSE-listed companies. She serves as Director of Ayala Land Commercial REIT, Inc., Michigan Holdings, Inc. and Anvaya Cove Beach and Nature Club, Inc. as well as Vice-President of Sonoma Properties, Inc. Ms. Nollado graduated with the degree of Bachelor of Science in Business Administration major in Accounting (magna cum laude) from the University of the Philippines in 1960 and placed second at the Certified Public Accountant Licensure Board Examination administered in the same year. In 1965, she obtained her Bachelor of Laws degree (cum laude) also from the University of the Philippines where she also placed second at the Bar Examination held in the same year.

**Paolo O. Viray**, Filipino, 44, has served as a Director of the Club since March 17, 2017 and currently the Vice President since February 2024. He is a Director of Anvaya Cove Beach and Nature Club, Inc.; Director and Chief Operating Officer of AyalaLand Premier, Inc.; Director and Vice President Ayala Greenfield Golf and Leisure Club; Director of Verde Golf Development Corporation, and Ayala Hotels, Inc. He served as the General Manager for Ayala Land International Marketing, USA, and Project Development Manager for Ayala Land Premier. He joined ALI in 2004 and has been involved in various residential, leisure and special projects handling business development and project development. He holds a degree in Civil Engineering from De La Salle University, Manila and a Master's Degree in Business Administration from Hult International Business School, San Francisco, California.

**Rex Ma. A. Mendoza**, 62, Filipino, was a Director of the Club since Incorporation to July 25, 2014, and has served as an Independent Director of the Club since December 2020. He also serves as an Independent Director of Ayala Land, Inc. since April 22, 2020 and AyalaLand Logistics Holdings Corp. since February 2016. He is the Chairman of Rampver Financials, a dynamic player in financial services specializing in investments, and one of the biggest distributors of mutual funds in the Philippines. He is the Chairman of the Soldivo Funds and also a director of Esquire Financing, G-Xchange Inc. (GXI or Gcash), Seedbox Technologies, Seven Tall Trees Events Management (The Blue Leaf), The Cullinan Group, Mobile Group Inc. and many other leading companies in different fields. Rex is a member of Bro. Bo Sanchez' Mastermind Group, and is cited by many as one of the best leadership, business strategy, investments, marketing and sales speakers in the country. He is the author of two books, Trailblazing Success and Firing On All Cylinders, both certified national bestsellers. He served as the President & CEO of Philam Life, one of the country's most trusted financial services conglomerates and was Chairman of its affiliates and subsidiaries. He was also Senior Adviser to the Chief Executive Officer of the AIA Group. Prior to this, he was previously Senior Vice President and Chief Marketing and Sales Officer of ALI. He was also Chairman of Ayala Land International Sales, Inc., President of Ayala Land Sales, Inc., and Avida Sales Corporation. He has a Master's Degree in Business Management with distinction from the Asian Institute of Management. He was one of the 10 Outstanding Graduates of his batch at the University of the Philippines where he obtained a BSBA degree with a double major in marketing and finance. He was awarded Most Distinguished Alumnus of the UP Cesar Virata School of Business. He is also a Fellow with Distinction at the Life Management Institute of Atlanta, Georgia, USA, a Registered Financial Planner (RFP) and a four-time member of

the Million Dollar Round Table (MDRT). He was a professor of Marketing and Computational Finance at the De La Salle University Graduate School of Business. He taught strategic marketing, services marketing and services strategy. He has served as Chairman of the Marketing Department and was awarded as one of the University's most outstanding professors

**Jessie D. Cabaluna**, Filipino, 67, has served as an Independent Director of the Club since July 30, 2021. She is also an Independent Director of AyalaLand Logistics Holdings Corp. since April 2024. She was the Assurance Partner and Head of Market Circle-I-Bacolod Branch of SyCip Gorres Velayo & Co. until she retired in 2017, an Independent Director of AllHome Corp., AllDay Marts, Inc., and AREIT, Inc. She is also the President of Stetchwork since September 18, 2019. She is a Certified Public Accountant. She joined SGY in 1978 and was a partner from 1997 to 2017. She 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. She also completed Finance for Corporate Directors Program in 2017.

**Jesus Emmanuel M. Yujuico**, Filipino, 56, has served as an Independent Director of the Club since July 30, 2021. He has been a director of DDMP REIT Inc. since 2014, his family's real estate joint venture with Double Dragon Properties Corporation. He also manages his family's interests in commercial real estate. He is the Chief Executive Officer of Istana Development Corporation. Previously, he co-founded a financial consulting firm in Silicon Valley and worked in Corporate Finance for Applied Materials Corporation in Santa Clara, California and Eaton Corporation in Cleveland, Ohio. He is a graduate of the Amos Tuck School of Business at Dartmouth in Hanover, New Hampshire and holds a Bachelor's degree in Economics from Bowdoin College in Brunswick Maine where he graduated with honors.

**Neal C. Perez**, Filipino, 51, has served as the Compliance Officer and Finance Director of the Club since November 11, 2021, and was elected as Chief Risk Officer subsequently on May 12, 2023. He is currently a director, Treasurer and Group Controller of the AyalaLand Hospitality and Resorts Group. He has multiple certifications, both local and international, namely: Certified Public Accountant (CPA), Certified Management Accountant (CMA), Certified Internal Auditor (CIA), Certified Forensic Accountant (CrFA), Certified Internal Controls Auditor (CICA) and Certification in Risk Management Assurance (CRMA). He has an impeccable professional track record as Finance and Compliance Director, Finance Controller, Finance Manager and Internal Auditor in various sectors including hospitality, gaming, real estate, utilities, consumer electronics and government services. As an ISO Quality Management Representative (QMR), he successfully initiated and implemented the ISO 9001 Quality Management System (QMS) program in frontline services and back office functions. Mr. Perez holds a Master's Degree in Business Management from the University of the Philippines - Diliman and double Bachelor's Degrees in Commerce and Accountancy from Saint Louis University where he graduated Magna Cum Laude and Cum Laude, respectively.

**Heidi Rosalie R. Hocson**, Filipino, 48, has been elected as the General Manager of the Club effective November 11, 2021. She brings with her more than twenty-five (25) years of expertise in the hospitality industry. With a strong background in Food & Beverage, she has successfully handled properties in El Nido as Resort Manager under Ayala Hotels and Resorts Corporation. Her portfolio includes certifications as Certified Guest Service Professional (CGSP) and Certified Hotel Administrator (CHA) from the American Hotel and Lodging Education Institute. She finished her BS Psychology and AB Guidance and Counselling at St. Scholastica's College, Manila.

**Maria Franchette M. Acosta**, Filipino, 52, has served as the Corporate Secretary since March 2024. She is the Corporate Secretary and Group General Counsel of Ayala Land, Inc. since March 12, 2024. She is also the Corporate Secretary, Corporate Governance Group Head and Chief Legal Officer of Ayala Corporation. Concurrently, she is the Corporate Secretary of AREIT, Inc., ACEN CORPORATION, Globe Telecom, Inc., and Integrated Micro-electronics, Inc. She has been a

practicing lawyer for 24 years, with 18 years in Villaraza & Angangco Law Firm where she was a Senior Partner, Co-Managing Partner and Head of its Corporate and Commercial Department. Ms. Acosta was also an Assistant Secretary at the Office of the Chief Presidential Legal Counsel of the Republic of the Philippines where she worked from 2001 to 2003 and recognized as an expert counsel in leading legal journals and publications such as Chambers Global, Chambers Asia Pacific and Legal 500. She is a consistent Asia Business Law Journal's top 100 lawyers of the Philippines. Atty. Acosta graduated from New York University with a Master of Laws in 2003, and ranked 3rd in the Philippine Bar Examination. She earned her Bachelor of Laws from the University of the Philippines College of Law in 1998 where she graduated Class Valedictorian and Cum Laude. She holds a Bachelor of Science in Business Economics from the University of the Philippines School of Economics in 1994 where she graduated Magna Cum Laude.

***Maria Paula G. Romero-Bautista***, Filipino, 40, has served as Assistant Corporate Secretary of the Club since September 28, 2018. She was a Senior Counsel at Ayala Group Legal, assigned to the Corporate Services and Compliance Unit. She is the Head of the Compliance and Corporate Services Group of ALI Legal. She handles various corporate and assistant corporate secretarial functions for several companies within the Ayala Group. Prior to joining Ayala Group Legal, she worked at Gatchalian Castro & Mawis Law Office and Cruz Marcelo & Tenefrancia Law Office. She graduated with a Juris Doctor degree from Ateneo de Manila University in 2009 and for her undergraduate studies, from De La Salle University Manila with a degree in Bachelor of Science in Commerce Majoring in Legal Management in 2005.

**Roscoe M. Pineda**, Filipino, 52, joined ALI as Vice President and Information Technology Director of the Residential Business Group on March 1, 2023. He assumed the Chief Information Officer (CIO) position for the ALI Group effective on October 1, 2023, and appointed as Data Privacy Officer for the group on January 1, 2024. Mr. Pineda was the Service Center Lead for Technology and was also the Chief Operating Officer of ANZ Global Services and Operations in Manila. He was the Chief Shared Services Officer of the Asia Service Centre of Sun Life of Canada, and was a VP of CHARTIS Technology and Operations Management Corp. (AIG Shared Services) in various senior roles. He was a member of the Board of Trustees of the Global In-house Centers Council of the Philippines, a company delegate and representative of the IT & Business Process Association of the Philippines and Contact Center Association of the Philippines. He is a bona fide member of the PMI.org and currently a Certified Project Management Professional. Mr. Pineda has a Bachelor's Degree in Mathematics, Major in Computer Science from the University of Santo Tomas.

### **Significant Employees**

The Club considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the Club's goals and objectives.

### **Family Relationships**

None of the Directors, Executive Officers or Corporate Officers are related to each other.

### **Involvement in Certain Legal Proceedings (over the past 5 years)**

None of the directors or executive officers is involved in any material pending legal proceeding in any court or administrative agency of the government.

- a. None of them has been involved in any bankruptcy petition.
- b. None of them has been convicted by final judgment in a criminal proceeding or being subject to a pending criminal proceeding, both domestic and foreign.

- c. None of them has been subject to any order, judgment, or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities.
- d. None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

## Item 10. Executive Compensation

### (a) Executive Compensation

- (1) Directors. Article VII, Section 1 (2<sup>nd</sup> paragraph) of the Club's Amended By-Laws provides:

“ xxx Directors shall receive no salaries from the Club.”

- (2) Executive Officers

ACMI, a wholly owned subsidiary of ALI, manages the operation of the Club under a Management Agreement which was renewed on January 1, 2022 and shall be effective until January 1, 2025. By virtue of the approval of the merger of ACMI, ALPI, and ALSI by the SEC on October 17, 2023 wherein ALPI was the surviving entity, contract has now been transferred to ALPI.

Below is the summary of the aggregate compensation paid or accrued during the last two (2) years and the ensuing fiscal year to the Company's President and other most highly compensated executive officers (excludes other managers):

| Name                                     | Principal Position | (Projected)<br>2025 | 2024      | 2023      |
|--|--------------------|---------------------|-----------|-----------|
| Paullolindo A. Elauria                   | President          | -                   | -         | -         |
| Joseph Carmichael Z. Jugo                | Vice President     | -                   | -         | -         |
| Dindo R. Fernando                        | Treasurer          | -                   | -         | -         |
| Heidi Rosalie Hocson*                    | General Manager    | -                   | -         | -         |
| Neal C. Perez**                          | Finance Director   | -                   | -         | -         |
| Vladimir S. Lorilla                      | Executive Chef     | 4,434,799           | 4,254,932 | 4,181,740 |
| Antonio B. Geronimo                      | F&B Manager        |                     |           |           |
| All other officers as a group unnamed*** |                    | 6,072,968           | 5,820,351 | 5,264,960 |

\*Effective November 11, 2021 and hired under ACMI, now also ALPI by virtue of the merger.

\*\*Effective January 1, 2023 hired under ALPI.

\*\*\*Other officers and managers.

Mr. Paullolindo A. Elauria, Mr. Joseph Carmichael Z. Jugo, and Mr. Dindo R. Fernandez are not directly employed by the Club and thus receive no compensation from the Club.

- (3) 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.

(4) 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 11. Security Ownership of Certain Beneficial Owners and Management**

(a) **Security Ownership of Certain Record and Beneficial Owners (of more than 5%) of Common Shares as of December 31, 2024\***

| Type of Class       | Name                       | Name of Beneficial Owner & Relationship w/ Record Owner | Citizenship | No. of Shares | Percentage |
|---------------------|----------------------------|---|-------------|---------------|------------|
| Class A (Founders') | Ayala Land, Inc.           | Ayala Land, Inc.  | Filipino    | 3,250         | 72.21%     |
| Class B             | 31/F Tower One &           | is both   |             | 412           |            |
| Class C             | Exchange Plaza             | beneficial and  |             | 352           |            |
| Class D             | Ayala Avenue               | record owner.   |             | 702           |            |
| Class E             | Makati City                |   |             | 180           |            |
| Class A (Founders') | Subic Bay Development &    | Subic Bay Development                                   | Filipino    | 201           | 3.65%      |
| Class B             | Industrial Estate Corp.    | & Industrial Estate Corp.                               |             | 16            |            |
| Class C             | 8/F Vernida IV Condominium | is both   |             | 38            |            |
|                     | 128 L.P. Leviste St.       | beneficial and  |             |               |            |
|                     | Salcedo Village            | record owner.   |             |               |            |
|                     | Makati City                |   |             |               |            |

*\*as recorded in the books of the Stock and Transfer Agent*

- The Board of Directors ALI has the power to decide how ALI's shares in the Club are to be voted. Messrs. Augusto D. Bengzon and Joseph Carmichael Z. Jugo have been named and appointed to exercise the voting power.
- SUDECO, the significant stockholder of the Club, owns 3.65% of the total outstanding shares of the Club. The Board of Directors of SUDECO has the power to decide how SUDECO's shares in the Club are to be voted. Ms. Jocelyn F. De Leon has been named and appointed to exercise the voting power.

(b) **Security Ownership of Management as of December 31, 2024**

| TYPE OF CLASS                                    | NAME                          | POSITION   | NO. OF SHARES | RECORD / BENEFICIAL OWNER | CITIZENSHIP | PERCENTAGE |
|--|-------------------------------|--|---------------|---------------------------|-------------|------------|
| Class A  | Bernard Vincent O. Dy         | Chairman of the Board  | 1             | R                         | Filipino    | 0.018%     |
| Class A  | Paulloindo A. Elauria         | President & Director   | 1             | R                         | Filipino    | 0.018%     |
| Class B  | Joseph Carmichael Z. Jugo     | Vice-President & Director                                    | 1             | R/B                       | Filipino    | 0.018%     |
| Class A  | Dindo R. Fernando             | Treasurer & Director   | 1             | R                         | Filipino    | 0.018%     |
| Class A  | Antonino T. Aquino            | Director   | 1             | R                         | Filipino    | 0.018%     |
| Class A  | Jocelyn F. De Leon            | Director   | 1             | R                         | Filipino    | 0.018%     |
| Class A  | Mercedita S. Nollodo          | Director   | 1             | R                         | Filipino    | 0.018%     |
| Class B  | Paolo O. Viray                | Director   | 1             | R/B                       | Filipino    | 0.018%     |
| Class A  | Rex Ma. A. Mendoza            | Independent Director   | 1             | R                         | Filipino    | 0.018%     |
| Class A  | Jessie D. Cabaluna            | Independent Director   | 1             | R                         | Filipino    | 0.018%     |
| Class A  | Jesus Emmanuel M. Yujuico     | Independent Director   | 1             | R                         | Filipino    | 0.018%     |
| -  | Maria Franchette M. Acosta    | Corporate Secretary  | -             | -                         | Filipino    | -          |
| -  | Ma. Paula G. Romero-Baustista | Assistant Corporate Secretary                                | -             | -                         | Filipino    | -          |
| -  | Roscoe M. Pineda              | Data Protection Officer                                      | -             | -                         | Filipino    | -          |
| -  | Neal C. Perez                 | Compliance Officer, Finance Director, and Chief Risk Officer | -             | -                         | Filipino    | -          |
| -  | Heidi Rosalie R. Hocson       | General Manger   | -             | -                         | Filipino    | -          |
| Security Ownership of all Directors and Officers |                               |  | 11            |                           |             | 0.203%     |

None of the members of the Club's directors and management owns 2.0% or more of the outstanding capital stock of the Club.

(c) **Voting Trust Holders of 5% or More**

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

(d) **Change in Control**

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

**Item 12. Certain Relationships and Related Transactions**

Please refer to Note 17, *Related Party Transactions*, of the Notes to Financial Statements of the 2023 Audited Financial Statements, which is incorporated herein in the accompanying Index to Exhibits.

**PART IV – CORPORATE GOVERNANCE**

**Item 13. Corporate Governance**

The Club amended the Manual of Corporate Governance on July 8, 2020 in accordance with the provisions of SEC Memorandum Circular No. 24, Series of 2019. The Club is attentive to the rules of the Securities and Exchange Commission ("SEC") so that improvements to its corporate governance policies may be faithfully adopted and implemented. On May 12, 2023, the Club further amended the Manual of Corporate Governance to reflect the include the risk oversight and review of related party transactions functions to the then Audit Committee and thus forming the Audit and Risk Oversight Committee, and to merge the functions of the Corporate Governance Committee and Nomination Committee into a Corporate Governance and Nomination Committee. The changes were still in accordance with the provisions of SEC Memorandum Circular No. 24, Series of 2019.

The Club organized an Executive Committee that will exercise the powers of the Board in the day-to-day management of the business and affairs of the Club.

On June 30, 2024, the Club submitted to the SEC its Annual Corporate Governance Report for the year 2023 pursuant to SEC Memorandum Circular No. 13, Series of 2021, wherein the Club disclosed its compliance or non-compliance with the recommendations under the Code of Corporate Governance for Public Companies and Registered Issuers.

**PART V - EXHIBITS AND SCHEDULES**

**Item 14. Exhibits and Reports on SEC Form 17-C**

(a) **Exhibits**

Attached hereto are the following exhibits:

**Annex A:** Audited Financial Statements as of December 31, 2024

**Annex A-1:** Schedules A-G – Supplementary Schedules Required by SRC 68-E

**(b)     Reports on SEC Form 17-C**

The following reports on SEC Form 17-C, as amended, was filed during the six (6)-month period immediately preceding the period covered by this report:

SEC Form 17-C dated July 26, 2024: disclosing the results of the 2024 Annual Stockholders Meeting and Organizational Board Meeting.



## SIGNATURES


Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned; thereunto duly authorized, in the City of Makati on the MAR 7 2025.

By:

Signature and Title :   
**BERNARD VINCENT O. DY**  
Chairman

Signature and Title :   
**PAULLOLINDO A. ELAURIA**  
President

Signature and Title :   
**DINDO R. FERNANDO**  
Treasurer

Signature and Title :   
**NEAL C. PEREZ**  
Finance Director, Compliance Officer, and  
Chief Risk Officer

Signature and Title :   
**MARIA FRANCHETTE M. ACOSTA**  
Corporate Secretary

## ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
Makati City ) SS.

BEFORE ME, a Notary Public for and in the City of Makati, this MAR 7 2025, personally appeared the following:

**Anvaya Cove Beach & Nature Club, Inc.**  
*represented by:*

| <u>Name</u>                | <u>Passport/Driver's License No.</u> | <u>Date &amp; Place of Issue</u>         |
|----------------------------|--------------------------------------|--|
| Bernard Vincent O. Dy      | Passport No. P7090535B               | July 1, 2021/DFA Manila                  |
| Paullolindo A Elauria      | Driver's License N04-96-359311       | Dec. 15, 2021/Land Transportation Office |
| Dindo R. Fernando          | Passport No. P53899687B              | Aug. 7, 2020/DFA NCR1                    |
| Neal C. Perez              | Driver's License No. C09-93-048756   | June 6, 2022/Land Transportation Office  |
| Maria Franchette M. Acosta | Passport No. P2265706C               | Nov. 4, 2022/ DFA Manila                 |


who are personally known to me and identified by me through competent evidence of identity to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of their respective principals.

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

Doc. No. 3 ;  
Page No. 2 ;  
Book No. LI ;  
Series of 2025.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Court's copy.



  
**MARIA PAULA G. ROMERO-BAUTISTA**  
Notary Public – Makati City  
Appt. No. M-227 until December 31, 2025  
Roll of Attorneys No. 58335  
IBP No. 492224 – 01/02/2025– Makati City  
PTR No. MKT10467735MN– 01/03/2025 – Makati City  
MCLE Compliance No. VII – 0020268 - 06/02/2022  
6<sup>th</sup> Floor Makati Stock Exchange Building,  
Ayala Avenue, Makati City, Philippines

*ANVAYA COVE BEACH AND NATURE CLUB, INC.*

**INDEX TO EXHIBITS**  
**Form 17-A – Item 7**

| No.  |   |          |
|------|---|----------|
| (3)  | Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession      | N/A*     |
| (5)  | Instruments Defining the Rights of Security Holders, Including Indentures         | N/A      |
| (8)  | Voting Trust Agreements   | N/A      |
| (9)  | Material Contracts  | N/A      |
| (10) | 2024 Financial Statements (with notarized Statement of Management Responsibility) | Attached |
| (13) | Letter re: Change in Certifying Accountant  | N/A      |
| (16) | Report Furnished to Security Holders  | N/A      |
| (18) | Subsidiaries Registrant   | N/A      |
| (19) | Published Report regarding Matters Submitted to Vote of Security Holders          | N/A      |
| (20) | Consent of Experts and Independent Counsel  | N/A      |
| (21) | Power of Attorney   | N/A      |
| (29) | Additional Exhibits   | N/A      |

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*\*Not applicable or require no answer*

## INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

| Schedule | Contents   |
|----------|--|
| A        | Financial Assets   |
| B        | Amounts Receivable from Directors, Officers, Employees,<br>Related Parties, and Principal Stockholders (Other than<br>Related parties) |
| C        | Amounts Receivable from Related Parties which are<br>Eliminated during Consolidation of Financial Statements                           |
| D        | Long-term Debt   |
| E        | Indebtedness to Related Parties (Long-term Loans from<br>Related Companies)  |
| F        | Guarantees of Securities Other Issuers   |
| G        | Capital Stock  |

**COVER SHEET**  
for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

|   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|
| C | S | 2 | 0 | 0 | 5 | 0 | 2 | 3 | 3 | 2 |
|---|---|---|---|---|---|---|---|---|---|---|

Company Name

|   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |  |   |   |   |   |   |   |  |  |
|---|---|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|--|---|---|---|--|---|---|---|---|---|---|--|--|
| A | N | V | A | Y | A |   | C | O | V | E |  | B | E | A | C | H |  | A | N | D |  | N | A | T | U | R | E |  |  |
| C | L | U | B |   |   | I | N | C | . |   |  |   |   |   |   |   |  |   |   |   |  |   |   |   |   |   |   |  |  |
|   |   |   |   |   |   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |  |   |   |   |   |   |   |  |  |

Principal Office (No./Street/Barangay/City/Town/Province)

|   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |   |   |   |   |  |   |   |   |   |   |   |  |  |  |
|---|---|---|---|---|---|--|---|---|---|---|---|--|---|---|---|---|---|---|---|--|---|---|---|---|---|---|--|--|--|
| A | N | V | A | Y | A |  | C | O | V | E | , |  | M | O | R | O | N | G | , |  | B | A | T | A | A | N |  |  |  |
|   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |   |   |   |   |  |   |   |   |   |   |   |  |  |  |
|   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |   |   |   |   |  |   |   |   |   |   |   |  |  |  |
|   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |   |   |   |   |  |   |   |   |   |   |   |  |  |  |

Form Type

|   |   |   |  |
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| A | F | S |  |
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Department requiring the report

|   |   |   |  |
|---|---|---|--|
| S | E | C |  |
|---|---|---|--|

Secondary License Type, if applicable

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

**COMPANY INFORMATION**

Company's Email Address

financedept@anvayacove.com

Company's Telephone Number(s)

9943-44000

Mobile Number

N/A

No. of Stockholders

1,628

Annual Meeting (Month/Day)

9/30

Fiscal Year (Month/Day)

December 31

**CONTACT PERSON INFORMATION**

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Neal C. Perez

Email Address

perez.neal@anvayacove.com

Telephone Number(s)

9943-44000

Mobile Number

0917-8044-462

Contact Person's Address

Anvaya Cove, Morong, Bataan

**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.



## **Independent Auditor's Report**

To Board of Directors and Shareholders  
**Anvaya Cove Beach and Nature Club, Inc.**  
Anvaya Cove, Morong, Bataan

### ***Report on the Audits of the Financial Statements***

#### **Our Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Anvaya Cove Beach and Nature Club, Inc. (the "Club") as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### ***What we have audited***

The financial statements of the Company comprise:

- the statements of financial position as of December 31, 2024 and 2023;
- the statements of total comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Company 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 Code of Ethics.

#### **Other Matter**

The financial statements of the Club for the year ended December 31, 2022 were audited by another firm of auditors whose report, dated March 2, 2023, expressed an unmodified opinion on those statements.



To Board of Directors and Shareholders  
Anvaya Cove Beach and Nature Club, Inc.  
Anvaya Cove, Morong, Bataan  
Page 2

### **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) and SEC Form 17-A, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A 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 audit 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 audit, 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 PFRS Accounting Standards, 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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 PSA 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.



To Board of Directors and Shareholders  
Anvaya Cove Beach and Nature Club, Inc.  
Anvaya Cove, Morong, Bataan  
Page 3

As part of an audit in accordance with PSA, 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 Company'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 Company'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 Company 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.





To Board of Directors and Shareholders  
Anvaya Cove Beach and Nature Club, Inc.  
Anvaya Cove, Morong, Bataan  
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***Report on the Bureau of Internal Revenue Requirement***

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 20 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Isla Lipana & Co.**

A handwritten signature in black ink, reading "Dexter Toledaña".

Dexter DJ V. Toledaña

Partner

CPA Cert. No. 0121827

P.T.R. No. 0032961; issued on January 3, 2025 at Makati City

T.I.N. 255-979-765

BIR A.N. 08-000745-241-2023, issued on January 30, 2023; effective until January 29, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
March 3, 2025



## **Statements Required by Rule 68 Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of  
**Anvaya Cove Beach and Nature Club, Inc.**  
Anvaya Cove, Morong, Bataan

We have audited the accompanying financial statements of Anvaya Cove Beach and Nature Club, Inc. (the "Club") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated March 3, 2025. The supplementary information shown in the Schedules A, B, C, D, E, F and G, as required by Part II, Section 7 of the Rule 68 of the SRC, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the SRC.

**Isla Lipana & Co.**

A handwritten signature in black ink, reading "Dexter Toledaña".

Dexter DJ V. Toledaña  
Partner

CPA Cert. No. 0121827

P.T.R. No. 0032961; issued on January 3, 2025 at Makati City

T.I.N. 255-979-765

BIR A.N. 08-000745-241-2023, issued on January 30, 2023; effective until January 29, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
March 3, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)

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**Anvaya Cove Beach and Nature Club, Inc.**

Statements of Financial Position  
As at December 31, 2024 and 2023  
(All amounts in Philippine Peso)

|   | <b>Notes</b> | <b>2024</b>        | <b>2023</b>        |
|---|--------------|--------------------|--------------------|
| <b>Assets</b>   |              |                    |                    |
| <b>Current assets</b>                                 |              |                    |                    |
| Cash  | 2            | 30,296,337         | 15,952,167         |
| Financial assets at fair value through profit or loss | 3            | 1,042,089          | 5,359,377          |
| Accounts and other receivables                        | 4            | 31,642,267         | 27,529,998         |
| Receivables from related parties                      | 15           | 146,563,874        | 148,581,926        |
| Inventories   | 5            | 5,315,753          | 5,120,319          |
| Other current assets                                  | 6            | 25,561,358         | 25,358,738         |
| <b>Total current assets</b>                           |              | <b>240,421,678</b> | <b>227,902,525</b> |
| <b>Non-current assets</b>                             |              |                    |                    |
| Property and equipment - net                          | 7            | 508,020,332        | 520,320,503        |
| Advances and other noncurrent assets                  | 6            | 2,117,345          | 3,702,859          |
| <b>Total noncurrent assets</b>                        |              | <b>510,137,677</b> | <b>524,023,362</b> |
| <b>Total assets</b>                                   |              | <b>750,559,355</b> | <b>751,925,887</b> |
| <b>Liabilities and equity</b>                         |              |                    |                    |
| <b>Current liabilities</b>                            |              |                    |                    |
| Accounts and other payables                           | 8            | 46,960,308         | 52,501,985         |
| Contract liabilities                                  | 10           | 24,097,544         | 21,997,620         |
| Payables to related parties                           | 15           | 1,268,851          | 2,319,672          |
| <b>Total current liabilities</b>                      |              | <b>72,326,703</b>  | <b>76,819,277</b>  |
| <b>Noncurrent liabilities</b>                         |              |                    |                    |
| Pension liability                                     | 13           | 13,632,069         | 12,537,089         |
| Deferred tax liability                                | 13,14        | 1,706,953          | 1,424,215          |
| <b>Total noncurrent liabilities</b>                   |              | <b>15,339,022</b>  | <b>13,961,304</b>  |
| <b>Total liabilities</b>                              |              | <b>87,665,725</b>  | <b>90,780,581</b>  |
| <b>Equity</b>   |              |                    |                    |
| Paid-in capital                                       | 9            | 359,966,055        | 359,966,055        |
| Additional paid-in capital                            | 9            | 550,000,000        | 550,000,000        |
| Cumulative remeasurement gain on pension liability    | 13           | 5,120,857          | 4,272,646          |
| Deficit   | 9            | (252,193,281)      | (253,093,395)      |
| <b>Total equity</b>                                   |              | <b>662,893,631</b> | <b>661,145,306</b> |
| <b>Total liabilities and equity</b>                   |              | <b>750,559,355</b> | <b>751,925,887</b> |

The notes on pages 1 to 35 are an integral part of these financial statements.

**Anvaya Cove Beach and Nature Club, Inc.**

Statements of Comprehensive Income  
For the years December 31, 2024 and 2023  
(With comparative figures for the year ended December 31, 2022)  
(All amounts in Philippine Peso)

|   | <b>Notes</b> | <b>2024</b>        | <b>2023</b>        | <b>2022</b>        |
|---|--------------|--------------------|--------------------|--------------------|
| <b>Revenue</b>  | 10           |                    |                    |                    |
| Sale of goods   |              | 115,103,640        | 115,285,948        | 121,942,493        |
| Service income  |              | 97,922,704         | 95,519,515         | 82,923,621         |
| Membership dues                                       |              | 87,358,557         | 65,826,108         | 64,845,000         |
| Transfer fees   |              | 7,937,500          | 7,830,357          | 12,357,143         |
|   |              | <b>308,322,401</b> | <b>284,461,928</b> | <b>282,068,257</b> |
| <b>Costs and expenses</b>                             | 12           |                    |                    |                    |
| Cost of sales   |              | 121,108,707        | 118,295,677        | 107,924,033        |
| Cost of services                                      |              | 84,622,967         | 81,790,955         | 74,039,284         |
| General and administrative expenses                   |              | 123,818,535        | 108,016,336        | 95,107,126         |
|   |              | <b>329,550,209</b> | <b>308,102,968</b> | <b>277,070,443</b> |
| <b>Other income</b>                                   |              |                    |                    |                    |
| Interest income                                       | 2,4,15,17    | 9,390,550          | 9,676,933          | 3,205,086          |
| Miscellaneous income                                  | 11           | 13,925,865         | 13,323,566         | 11,538,692         |
|   |              | <b>23,316,415</b>  | <b>23,000,499</b>  | <b>14,743,778</b>  |
| <b>Income (loss) before income tax</b>                |              | <b>2,088,607</b>   | <b>(640,541)</b>   | <b>19,741,592</b>  |
| Provision for income tax                              | 14           | 1,188,493          | 839,100            | 692,011            |
| <b>Net income (loss) for the year</b>                 |              | <b>900,114</b>     | <b>(1,479,641)</b> | <b>19,049,581</b>  |
| <b>Other comprehensive income (loss)</b>              |              |                    |                    |                    |
| Item that will not be reclassified to profit or loss: |              |                    |                    |                    |
| Remeasurement gain (loss) on pension liability        |              |                    |                    |                    |
| - net of tax  |              | 848,211            | (227,068)          | 1,372,054          |
| <b>Total comprehensive (loss) income</b>              |              | <b>1,748,325</b>   | <b>(1,706,709)</b> | <b>20,421,635</b>  |
| <b>Basic and diluted earnings per share</b>           | 9            | <b>132</b>         | <b>(218)</b>       | <b>2,801</b>       |

The notes on pages 1 to 35 are an integral part of these financial statements

**Anvaya Cove Beach and Nature Club, Inc.**

Statements of Changes in Equity  
For the years ended December 31, 2024 and 2023  
(With comparative figures for the year ended December 31, 2022)  
(All amounts in Philippine Peso)

|                                     | <b>Paid-in<br/>capital<br/>(Note 9)</b> | <b>Additional<br/>paid-in<br/>capital<br/>(Note 9)</b> | <b>Deficit<br/>(Note 9)</b> | <b>Reserve for<br/>remeasurement<br/>on retirement<br/>liability, net of<br/>tax (Note 13)</b> | <b>Total equity</b> |
|-------------------------------------|---|--|-----------------------------|--|---------------------|
| <b>Balance at January 1, 2022</b>   | 359,966,055                             | 550,000,000  | (270,663,335)               | 3,127,660  | 642,430,380         |
| Comprehensive income                |   |  |                             |  |                     |
| Net income for the year             | -                                       | -  | 19,049,581                  | -  | 19,049,581          |
| Other comprehensive income          | -                                       | -  | -                           | 1,372,054  | 1,372,054           |
| Total comprehensive income          | -                                       | -  | 19,049,581                  | 1,372,054  | 20,421,635          |
| <b>Balance at December 31, 2022</b> | 359,966,055                             | 550,000,000  | (251,613,754)               | 4,499,714  | 662,852,015         |
| Comprehensive income                |   |  |                             |  |                     |
| Net loss for the year               | -                                       | -  | (1,479,641)                 | -  | (1,479,641)         |
| Other comprehensive income          | -                                       | -  | -                           | (227,068)  | (227,068)           |
| Total comprehensive loss            | -                                       | -  | (1,479,641)                 | (227,068)  | (1,706,709)         |
| <b>Balance at December 31, 2023</b> | 359,966,055                             | 550,000,000  | (253,093,395)               | 4,272,646  | 661,145,306         |
| Comprehensive income                |   |  |                             |  |                     |
| Net income for the year             | -                                       | -  | 900,114                     | -  | 900,114             |
| Other comprehensive income          | -                                       | -  | -                           | 848,211  | 848,211             |
| Total comprehensive income          | -                                       | -  | 900,114                     | 848,211  | 1,748,325           |
| <b>Balance at December 31, 2024</b> | 359,966,055                             | 550,000,000  | (252,193,281)               | 5,120,857  | 662,893,631         |

The notes on pages 1 to 35 are an integral part of these financial statements

**Anvaya Cove Beach and Nature Club, Inc.**

Statements of Cash Flows  
For the year ended December 31, 2024 and 2023  
(With comparative figures for the year ended December 31, 2022)  
(All amounts in Philippine Peso)

|   | <b>Note</b> | <b>2024</b>     | <b>2023</b>     | <b>2022</b>   |
|---|-------------|-----------------|-----------------|---------------|
| <b>Operating activities</b>                     |             |                 |                 |               |
| Income (loss) before income tax                 |             | 2,088,607       | (640,541)       | 19,741,592    |
| Adjustments for:                                |             |                 |                 |               |
| Depreciation                                    | 7,12        | 41,969,462      | 38,754,106      | 37,352,670    |
| Interest income                                 | 2,4,15,17   | (9,390,550)     | (9,676,933)     | (3,205,086)   |
| Net movement in pension liability               | 13          | 2,225,927       | 2,056,966       | 2,060,962     |
| Gain on disposal of property and equipment      | 7,11        | (659,821)       | (3,300)         | -             |
| Unrealized gain on financial assets at FVPL     | 3,11        | (42,089)        | (225,785)       | (61,386)      |
| Financial assets at FVPL                        | 3           | (34,146)        | -               | -             |
| Operating income before working capital changes |             | 36,157,390      | 30,264,513      | 55,888,752    |
| Decrease (increase) in:                         |             |                 |                 |               |
| Accounts and other receivables                  |             | (4,112,269)     | 649,565         | (5,007,605)   |
| Receivables from related parties                |             | (603,049)       | 13,965,739      | (10,399,210)  |
| Inventories                                     |             | (195,434)       | (128,573)       | (1,597,904)   |
| Other current assets                            |             | (202,621)       | (3,658,893)     | (4,275,566)   |
| Advances and other noncurrent assets            |             | 1,585,515       | (278,639)       | 598,226       |
| Increase (decrease) in:                         |             |                 |                 |               |
| Accounts and other payables                     |             | (5,541,676)     | 11,107,147      | 40,341        |
| Contract liabilities                            |             | 2,099,924       | 1,204,881       | (2,445,501)   |
| Payables to related parties                     |             | (1,050,821)     | (24,862,289)    | 19,513,563    |
| Net cash generated by operations                |             | 28,136,959      | 28,263,451      | 52,315,096    |
| Interest received                               |             | 14,011,651      | 4,230,128       | 2,242,458     |
| Income tax paid                                 |             | (1,188,493)     | (839,100)       | (692,011)     |
| Net cash flows from operating activities        |             | 40,960,117      | 31,654,479      | 53,865,543    |
| <b>Investing activities</b>                     |             |                 |                 |               |
| Additions to:                                   |             |                 |                 |               |
| Property and equipment                          | 7           | (29,669,291)    | (33,936,654)    | (20,191,937)  |
| Proceeds from disposal of:                      |             |                 |                 |               |
| Financial assets at FVPL                        | 3           | 4,393,523       | -               | 94,654,978    |
| Property and equipment                          | 7,11        | 659,821         | 3,300           | -             |
| Loans to related parties                        | 15          | (1,668,500,000) | (1,582,500,000) | (458,000,000) |
| Collection of loan to related parties           | 15          | 1,666,500,000   | 1,577,500,000   | 328,000,000   |
| Net cash flows used in investing activities     |             | (26,615,947)    | (38,933,354)    | (55,536,959)  |
| <b>Net increase (decrease) in cash</b>          |             | 14,344,170      | (7,278,875)     | (1,671,416)   |
| At January 1                                    |             | 15,952,167      | 23,231,042      | 24,902,458    |
| At December 31                                  | 2           | 30,296,337      | 15,952,167      | 23,231,042    |

The notes on pages 1 to 35 are an integral part of these financial statements

## **Anvaya Cove Beach and Nature Club, Inc.**

Notes to the Financial Statements

As at and for the year ended December 31, 2024 and 2023

(With comparative figures for the year ended December 31, 2022)

(All amounts are shown in Philippine Peso unless otherwise stated)

### **1 General information**

#### *(a) Corporate information*

Anvaya Cove Beach and Nature Club, Inc. (the Club) was incorporated in the Republic of the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on March 28, 2005.

The Club was organized primarily to maintain, operate, manage, and carry on the business and operation of a beach and nature club and its facilities, for the amusement, entertainment, recreational and athletic activities of its members on a not-for-profit basis.

The Club is a public interest entity, and is 72.29% owned by Ayala Land, Inc. (ALI). The Company is considered a subsidiary of ALI. ALI's parent company is Ayala Corporation (AC or the "Ultimate Parent Company"), a publicly-listed company which is 47.57%-owned by Mermac, Inc. and the rest by the public. Both ALI and AC are publicly-listed companies and were incorporated in the Republic of the Philippines.

Prior to 2012, 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) has 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 value-added tax (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 January 1, 2020, the Club no longer collect output VAT on membership fees and fees of similar nature.

The Club's registered address and principal place of business is Anvaya Cove, Morong, Bataan.

#### *(b) Status of Operations*

The Club has a deficit amounting to P252,193,281 (2023 - P253,093,395) as at December 31, 2024.

Management has assessed that the Club is still able to maintain sufficient liquidity through the collection of membership dues and revenue from sale of goods and services, as well as the support from its Parent Company, to enable the Club to continue as a going concern at least for the next 12 months from the date of these financial statements.

#### *(c) Approval and authorization for issuance of the financial statements*

The accompanying financial statements of the Club were approved and authorized for issuance by the Board of Directors (BOD) on March 3, 2025.

## 2 Cash

This account as at December 31 consists of:

|               | Note | 2024       | 2023       |
|---------------|------|------------|------------|
| Cash on hand  |      | 59,993     | 87,812     |
| Cash in banks | 15   | 30,236,344 | 15,864,355 |
|               |      | 30,296,337 | 15,952,167 |

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

In 2024, interest income earned on cash in banks amounted to P25,593 (2023 - P25,996 and 2022 - 26,723) gross of final tax for the year ended.

## 3 Financial assets at fair value through profit or loss

Details of the account are as follows:

|                 | Note | 2024        | 2023      |
|-----------------|------|-------------|-----------|
| At January 1    |      | 5,359,377   | 5,133,592 |
| Redemptions     | 11   | (4,393,523) | -         |
| Unrealized gain | 11   | 42,089      | 225,785   |
| Realized gain   | 11   | 34,146      | -         |
| At December 31  |      | 1,042,089   | 5,359,377 |

Financial assets at FVPL pertains to investments in the Bank of the Philippine Islands Money Market Fund (the Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by being invested in a diversified portfolio of primarily short-term fixed income instruments. It has no minimum holding period. As at December 31, 2024, the Club has 3,564 units with total Net asset Value of P1,042,089 (2023 - P5,359,377).

The fair value of the Club's investment is determined by using the net asset value per unit, which is considered the market value per unit of an investment fund. The fair value measurement of the financial assets at FVPL is categorized under Level 1.

## 4 Accounts and other receivables

This account as at December 31 consists of:

|                             | 2024         | 2023         |
|-----------------------------|--------------|--------------|
| Trade receivables - gross   | 41,125,413   | 35,264,446   |
| Allowance for credit losses | (12,393,644) | (12,393,644) |
|                             | 28,731,769   | 22,870,802   |
| Receivable from employees   | 513,093      | 314,332      |
| Other receivables           | 2,397,405    | 4,344,864    |
|                             | 31,642,267   | 27,529,998   |

Trade receivables pertain to unpaid membership dues, sale of food, beverages and merchandise from souvenir shop, charges for room accommodations and rental of water sports equipment. These are non-interest bearing and are due and demandable. The receivables from members are collateralized by a preferential lien on the Club shares owned by the said members. Provision for ECL amounted to nil for the year ended December 31, 2024, 2023 and 2022.



Receivable from employees is salary loans granted to the Club's employees. These are collected through salary deduction. Interest income earned from loans to employees amounted to P143,75 in 2024 (2023 - P67,462 and 2022 - P35,995).

Other receivables include nontrade receivables such as receivables from the Club's service providers, which are non-interest bearing and are to be settled within one year.

*Critical accounting estimate - Estimating allowance for ECLs 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.

## 5 Inventories

This account as at December 31 consists of:

|                   | 2024      | 2023      |
|-------------------|-----------|-----------|
| At cost:          |           |           |
| Food and beverage | 4,566,046 | 4,391,453 |
| Merchandise       | 749,707   | 728,866   |
|                   | 5,315,753 | 5,120,319 |

Food and beverage consist of goods in the form of ingredients and supplies consumed in the production of food and beverages sold at the Club's cafes and bars.

The following table sets forth the cost of food and beverages recognized as cost of sales and cost of service (Note 12):

|                  | 2024       | 2023       | 2022       |
|------------------|------------|------------|------------|
| Cost of sales    | 40,312,493 | 42,329,675 | 42,159,172 |
| Cost of services | 1,383,829  | 1,107,253  | 66,006     |
|                  | 41,696,322 | 43,436,928 | 42,225,178 |

Merchandise pertains to items for sale at the Club's shop. For the year ended December 31, 2024, cost of merchandise recognized as part of cost of sales amounted to P519,794 (2023 - P505,420 and 2022 - P595,552) (Note 12).

## 6 Other assets

This account as at December 31 consists of:

|   | 2024       | 2023       |
|---|------------|------------|
| Creditable withholding taxes            | 15,294,974 | 12,764,870 |
| Supplies                                | 6,473,754  | 6,496,827  |
| Prepaid Expenses                        | 2,541,100  | 4,807,841  |
| Deferred input VAT                      | 224,375    | 676,553    |
|   | 24,534,203 | 24,746,091 |
| Advances to suppliers                   | 3,832,782  | 5,003,788  |
| Less: Allowance for impairment          | (688,282)  | (688,282)  |
|   | 3,144,500  | 4,315,506  |
|   | 27,678,703 | 29,061,597 |
| Less: Non-current portion               |            |            |
| Deferred input VAT                      | 224,375    | 530,455    |
| Advances to suppliers, net              | 1,892,970  | 3,172,404  |
|   | 2,117,345  | 3,702,859  |
| Current portion of other current assets | 25,561,358 | 25,358,738 |

Creditable withholding taxes are available for application against income tax payable in future periods. Supplies include medical supplies, general storeroom, clearing inventories and chinaware and crockery.

Prepaid expenses mainly include prepayments for maintenance dues, taxes and licenses, and insurance which will be amortized for three to 12 months at the end of the financial reporting period.

Advances to suppliers are advances made by the Club to vendors and applied against invoices from the vendor upon delivery of goods and payments intended for purchase of supplies and payment for services to be rendered. Advances to suppliers as at December 31, 2024 amounted to P1,892,970 (2023 - P3,172,404), net of allowance amounting to P688,282 (2023 - P688,282).

Deferred input VAT pertains to purchases for which the invoice is not yet paid and those arising from purchases of capital goods before December 31, 2021 in which the aggregate amount exceeds P1,000,000.

## 7 Property and equipment - net

Details of the account are as follows:

|                                 | Land and Land<br>Improvements | Building and<br>Improvements | Furniture,<br>Fixtures and<br>Equipment | Project in<br>Progress | Total         |
|---------------------------------|-------------------------------|------------------------------|---|------------------------|---------------|
| <b>Cost</b>                     |                               |                              |   |                        |               |
| At January 1, 2023              | 223,966,685                   | 626,764,763                  | 304,023,466                             | -                      | 1,154,754,914 |
| Additions                       | 306,698                       | 4,535,756                    | 26,170,569                              | 2,923,631              | 33,936,654    |
| Disposal                        | -                             | -                            | (4,307,764)                             | -                      | (4,307,764)   |
| At December 31, 2023            | 224,273,383                   | 631,300,519                  | 325,886,271                             | 2,923,631              | 1,184,383,804 |
| Additions                       | -                             | 2,861,784                    | 21,047,409                              | 5,760,098              | 29,669,2291   |
| Disposal                        | -                             | -                            | (4,717,321)                             | -                      | (4,717,321)   |
| At December 31, 2024            | 224,273,383                   | 634,162,303                  | 342,216,359                             | 8,683,729              | 1,209,335,774 |
| <b>Accumulated depreciation</b> |                               |                              |   |                        |               |
| At January 1, 2023              | 123,520,316                   | 229,105,521                  | 276,991,123                             | -                      | 629,616,960   |
| Depreciation                    | 8,943,987                     | 18,756,465                   | 11,053,653                              | -                      | 38,754,106    |
| Disposal                        | -                             | -                            | (4,307,764)                             | -                      | (4,307,764)   |
| At December 31, 2023            | 132,464,304                   | 247,861,986                  | 283,737,012                             | -                      | 664,063,302   |
| Depreciation                    | 8,954,935                     | 18,892,447                   | 14,122,080                              | -                      | 41,969,462    |
| Disposal                        | -                             | -                            | (4,717,321)                             | -                      | (4,717,321)   |
| At December 31, 2024            | 141,419,239                   | 266,754,433                  | 293,141,771                             | -                      | 701,315,443   |

|                       | Land and Land<br>Improvements | Building and<br>Improvements | Furniture,<br>Fixtures and<br>Equipment | Project in<br>Progress | Total       |
|-----------------------|-------------------------------|------------------------------|---|------------------------|-------------|
| <b>Net book value</b> |                               |                              |   |                        |             |
| December 31, 2023     | 91,809,079                    | 383,438,534                  | 42,149,259                              | 2,923,631              | 520,320,503 |
| December 31, 2024     | 82,854,144                    | 367,407,871                  | 49,074,589                              | 8,683,728              | 508,020,332 |

The project in progress pertains to the renovation of the Club's kitchen and cafeteria.

The following table sets forth the allocation of depreciation expense (Note 12):

|                                     | 2024       | 2023       | 2022       |
|-------------------------------------|------------|------------|------------|
| Cost of services                    | 18,151,121 | 18,051,290 | 18,184,745 |
| Cost of sales                       | 16,321,999 | 15,172,451 | 14,396,679 |
| General and administrative expenses | 7,496,342  | 5,530,365  | 4,771,246  |
|                                     | 41,969,462 | 38,754,106 | 37,352,670 |

The total cost of fully depreciated property and equipment that are still in use as at December 31, 2024 amounted to P256,027,350 (2023 - P254,319,902).

The Club disposed various property and equipment items with an aggregate cost amounting to P4,717,321 in 2024 (2023 - P4,307,764), with no carrying value. The proceeds from these disposals amounting to P659,821 (2023 - P3,300) resulted in gains amounting to P659,821 in 2024 (2023 - P3,300), presented under other income (Note 11).

#### *Critical accounting estimate - 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 COVID-19 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.

## 8 Accounts and other payables

Details of the account are as follows:

|   | 2024       | 2023       |
|---|------------|------------|
| Trade payables                          | 15,693,303 | 17,667,057 |
| Accrued expenses:                       |            |            |
| Payroll                                 | 6,665,376  | 5,279,120  |
| Management fee                          | 3,000,479  | 2,813,552  |
| Utilities                               | 2,615,907  | 9,202,324  |
| Professional fees                       | 2,550,963  | 2,436,868  |
| Contract services                       | 1,638,623  | 1,963,464  |
| Repairs and maintenance                 | 108,147    | 158,147    |
| Others                                  | 86,168     | 142,674    |
| Funds held for environmental activities | 7,779,341  | 5,756,641  |
| Taxes payable                           | 3,034,694  | 3,736,617  |
| Service charge payable                  | 1,359,880  | 1,293,763  |
| Vouchers payable                        | 845,658    | 852,569    |
| Due to employees                        | 362,704    | 391,171    |
| Other payables                          | 1,219,065  | 808,017    |
|   | 46,960,308 | 52,501,984 |

Trade payables represent operational costs incurred and amount due to suppliers for purchases of goods and services. These are non-interest bearing and are normally settled on 30-day credit terms.

Accrued expenses consist mainly of accruals for salaries and wages, and utilities which are non-interest bearing and are normally settled within 30 to 60 days.

Funds held for environmental activities pertain to restricted collections from members set aside for the environmental activities of the Club. These are utilized upon commencement of actual environmental activities.

Taxes payable represents withholding taxes from salaries and wages, expanded withholding taxes from purchases with suppliers and VAT payable. These are non-interest bearing and are normally settled within one year.

Service charge payable pertains to service charges due to employees on top of their regular salaries. These are non-interest bearing and are due to be settled within one year.

Vouchers payable pertains to net proceeds from auction of shares that will be used for paying incidental expenses related to transfer of shares' ownership.

Due to employees pertains to collections from members set aside for the employee welfare fund to be used for employees' trainings, seminars and events.

Other payables include reversal of liabilities due to stale checks and liabilities to government agencies, which are non-interest bearing and are normally settled within one year.

## 9 Equity

The details of the number of authorized and issued shares of the Club as at December 31, 2024 and 2023 follow:

|         | Stated value | Authorized | Issued | Amount      | Additional paid-In capital |
|---------|--------------|------------|--------|-------------|----------------------------|
| Class A | 1,000        | 3,468      | 3,468  | 3,468,000   | -                          |
| Class B | 1,000        | 1,950      | 1,950  | 1,950,000   | 437,755,102                |
| Class C | 1,000        | 500        | 500    | 500,000     | 112,244,898                |
| Class D | 401,415      | 702        | 702    | 281,793,330 | -                          |
| Class E | 401,415      | 180        | 180    | 72,254,725  | -                          |
|         |              | 6,800      | 6,800  | 359,966,055 | 550,000,000                |

The details of the Club's registered capital stock with the SEC as at December 31, 2024 and 2023 follow:

|         | Number of shares registered | Issue price | Date of approval |
|---------|-----------------------------|-------------|------------------|
| Class B | 1,950                       | 1,000       | June 23, 2005    |
| Class C | 500                         | 1,000       | June 23, 2005    |

As at December 31, 2024, the total number of shareholders are 1,628 (2023 -1,628).

### *Class A shares*

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 ascribed to Founders' shares. Founder's 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 or transferring founder's share to third persons; (c) usage right without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

### *Class B shares*

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 pre-emptive rights to subscribe to any or all original issues of Class A shares, Class D shares, and Class E shares of the Club.

### *Class C shares*

Each Class C share shall be entitled to two usage rights which shall be exercised by its nominees in the manner set forth in the by-laws of the Club.

Holders of Class C shares shall not enjoy pre-emptive rights to subscribe to any or all original issues of Class A shares, Class B shares, and Class D shares of the Club.

### *Class D shares*

Each Class D share 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.

### *Class E shares*

Each Class E share shall be entitled to two usage rights which shall be exercised by its nominees in the manner set forth in the by-laws of the Club.

In view of the issuance of Founders' shares, the voting rights pertaining to the Class B, C, D and E 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. On the fifth anniversary of the date of incorporation of the Club, the voting rights of all Class B, C, D and E shares shall be automatically reinstated and shall be equal in all respects to those of the holders of all the other classes of shares. The voting rights of Classes B and C were reinstated on June 2, 2010, following the expiration of the five-year voting right exclusivity given to Class A shares.

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.

### *Capital Management*

The primary objectives of the Club's capital management policies are to afford the financial flexibility to support its business initiatives and to maximize stakeholder value. The Club manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the years ended December 31, 2024 and 2023. The Club considers equity, excluding remeasurement gain on pension liability, as its capital as follows:

|                            | 2024          | 2023          |
|----------------------------|---------------|---------------|
| Paid-in capital            | 359,966,055   | 359,966,055   |
| Additional paid-in capital | 550,000,000   | 550,000,000   |
| Deficit                    | (252,193,281) | (253,093,395) |
|                            | 657,772,774   | 656,872,660   |

The Club is not subjected to any externally imposed capital requirements.

### *Basic and diluted Earnings (Loss) per share*

|  | 2024    | 2023        | 2022       |
|--|---------|-------------|------------|
| Excess (deficiency) of receipts over expenses after income tax | 900,114 | (1,479,641) | 19,049,581 |
| Number of shares (excluding shares of delinquent members)      | 6,800   | 6,800       | 6,800      |
| Basic and diluted earnings (loss) per share                    | 132     | (218)       | 2,801      |

## 10 Revenue

### *Disaggregated revenue information*

The table shows the disaggregation of revenues of the Club by major sources.

|                               | 2024        | 2023        | 2022        |
|-------------------------------|-------------|-------------|-------------|
| Sale of goods                 |             |             |             |
| Food and beverages            | 113,250,430 | 113,391,010 | 119,615,697 |
| Merchandise                   | 1,853,210   | 1,894,938   | 2,326,796   |
| Service income                |             |             |             |
| Room accommodation            | 65,399,345  | 62,917,504  | 53,429,978  |
| Guest fees                    | 18,018,345  | 17,793,087  | 16,930,166  |
| Spa and massage revenue       | 8,052,434   | 8,272,123   | 6,248,934   |
| Use of water sports equipment | 6,452,580   | 6,536,801   | 6,314,543   |
| Membership dues               | 87,358,557  | 65,826,108  | 64,845,000  |
| Transfer fees                 | 7,937,500   | 7,830,357   | 12,357,143  |
|                               | 308,322,401 | 284,461,928 | 282,068,257 |

### *Timing of revenue recognition*

The Club has recognized revenues recognized over time amounting to P185,281,260 (2023 - P161,345,623 and 2022 - P82,923,621) for the year ended December 31, 2024.

Revenues recognized from sale of goods and transfer fees earned at a point in time amounted to P123,041,140 (2023 - P123,116,306 and 2022 - P134,299,636) for the year ended December 31, 2024.

### *Contract balances*

As at December 31, contract balances are as follows:

|                      | Note | 2024       | 2023       |
|----------------------|------|------------|------------|
| Trade receivables    | 4    | 28,731,769 | 22,870,802 |
| Contract liabilities |      | 24,097,544 | 21,997,620 |

The Club identified unearned membership dues as contract liabilities as at December 31, 2024 and 2023. These represent payments received in advance from members who usually settle their dues annually. Contract liabilities also include advances received for membership dues, consumables and booked functions and events.

The movements in the contract liabilities are as follows:

|                              | 2024          | 2023         |
|------------------------------|---------------|--------------|
| Balance at beginning of year | 21,997,620    | 20,792,739   |
| Additions                    | 120,472,465   | 94,673,571   |
| Recognized as revenue        | (118,372,541) | (93,468,690) |
| Balance at end of year       | 24,097,544    | 21,997,620   |

Other income includes laundry, transportation and room cleaning.

### *Critical accounting judgement - 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.

### *Critical accounting judgement - 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 and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

### *Critical accounting judgement - Determining whether the Club is acting as a principal or agent*

The Club assesses its revenue arrangements against specific criteria 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.

## **11 Miscellaneous income**

Miscellaneous income consists of:

|   | Notes | 2024       | 2023       | 2022       |
|---|-------|------------|------------|------------|
| Consultancy fees                            | 15    | 4,800,000  | 4,800,000  | 4,800,000  |
| Surcharge revenue                           |       | 2,772,119  | 4,369,938  | 2,584,333  |
| Gain on disposal of property and equipment  | 7     | 659,821    | 3,300      | -          |
| Unrealized gain on financial assets at FVPL | 3     | 42,089     | 225,785    | 61,386     |
| Realized gain on financial assets at FVPL   | 3     | 34,146     | -          | -          |
| Others                                      |       | 5,617,690  | 3,924,543  | 4,092,973  |
|   |       | 13,925,865 | 13,323,566 | 11,538,692 |

Surcharge revenue arises from charges imposed to members with outstanding balance for more than 30 days.

Others include corkage fees, sale of scrap items and gain on sale of furniture and fixtures equipment.

## **12 Costs and expenses**

Cost of sales consists of:

|                                       | Notes | 2024        | 2023        | 2022        |
|---------------------------------------|-------|-------------|-------------|-------------|
| Salaries, wages and employee benefits |       | 43,272,229  | 41,371,394  | 32,184,106  |
| Food and beverage                     | 5     | 40,312,493  | 42,329,675  | 42,159,172  |
| Depreciation                          | 7     | 16,321,999  | 15,172,451  | 14,396,679  |
| Heat, light and water                 |       | 9,662,251   | 10,189,836  | 10,747,967  |
| Cleaning and other supplies           |       | 3,961,571   | 4,095,678   | 3,492,743   |
| Transportation                        |       | 563,660     | 490,094     | 701,033     |
| Communication                         |       | 528,219     | 243,135     | 315,573     |
| Merchandise                           | 5     | 519,794     | 505,420     | 595,552     |
| Office supplies                       |       | 181,206     | 304,401     | 431,105     |
| Equipment rental                      |       | 175,264     | 153,214     | 117,608     |
| Others                                |       | 5,610,021   | 3,440,379   | 2,782,495   |
|                                       |       | 121,108,707 | 118,295,677 | 107,924,033 |

Others include costs incurred for the Club's hygiene supplies and medical expenses.



Cost of services consists of:

|                                       | Notes | 2024       | 2023       | 2022       |
|---------------------------------------|-------|------------|------------|------------|
| Salaries, wages and employee benefits |       | 28,908,054 | 28,631,812 | 24,347,192 |
| Depreciation                          | 7     | 18,151,121 | 18,051,290 | 18,184,745 |
| Heat, light and water                 |       | 6,743,091  | 8,624,868  | 9,328,826  |
| Contract services                     |       | 4,067,208  | 4,602,576  | 3,596,315  |
| Cleaning and other supplies           |       | 3,921,342  | 3,655,802  | 4,354,062  |
| Recreational services                 |       | 2,927,255  | 2,729,408  | 2,647,143  |
| Repairs and maintenance               |       | 2,600,181  | 1,087,260  | 1,533,670  |
| Communications                        |       | 2,463,704  | 2,961,684  | 2,774,058  |
| Laundry                               |       | 1,952,646  | 1,689,359  | 1,428,160  |
| Food and beverage                     | 5     | 1,383,829  | 1,107,253  | 66,006     |
| Transportation                        |       | 680,636    | 634,227    | 904,244    |
| Office supplies                       |       | 405,248    | 504,935    | 561,905    |
| Representation                        |       | 161,987    | 79,878     | 66,203     |
| Others                                |       | 10,256,665 | 7,430,603  | 4,246,755  |
|                                       |       | 84,622,967 | 81,790,955 | 74,039,284 |

Other cost of sales includes expenses incurred in food and beverage operations such as hygiene supply kits, training and development, meals and anniversary costs incurred during the year.

General and administrative expenses consist of:

|                                       | Note | 2024        | 2023        | 2022       |
|---------------------------------------|------|-------------|-------------|------------|
| Salaries, wages and employee benefits |      | 31,441,967  | 31,446,152  | 30,369,944 |
| Heat, light and water                 |      | 20,046,549  | 19,545,587  | 14,468,868 |
| Corporate expense                     |      | 9,881,413   | 4,075,245   | 3,775,952  |
| Security                              |      | 9,585,182   | 8,559,965   | 5,464,818  |
| Repairs and maintenance               |      | 9,216,241   | 6,049,410   | 4,592,298  |
| Depreciation                          | 7    | 7,496,342   | 5,530,365   | 4,771,246  |
| Taxes and licenses                    |      | 6,287,361   | 5,064,313   | 2,630,115  |
| Management fees                       |      | 5,803,878   | 7,101,066   | 7,556,587  |
| Collection charges                    |      | 4,572,570   | 4,790,165   | 4,388,006  |
| Contract services                     |      | 4,287,724   | 3,863,657   | 3,010,166  |
| Insurance                             |      | 3,298,971   | 2,497,672   | 2,248,286  |
| Transportation                        |      | 2,459,631   | 2,222,213   | 2,819,893  |
| Communication                         |      | 749,854     | 555,836     | 567,229    |
| Professional fees                     |      | 1,288,926   | 1,343,112   | 3,441,501  |
| Office Supplies                       |      | 583,579     | 488,215     | 563,644    |
| Cleaning and other supplies           |      | 285,242     | 375,736     | 313,472    |
| Representation                        |      | 58,176      | 100,242     | 83,764     |
| Others                                |      | 6,474,929   | 4,407,385   | 4,041,337  |
|                                       |      | 123,818,535 | 108,016,336 | 95,107,126 |

Others include costs incurred for the Club's stipend, training and development expenses, employee relations and activities.

### 13 Pension cost

The Club engaged an independent actuary to calculate the amount of retirement benefits obligation based on the provisions of PAS 19, Employee Benefits. The Club's liability for retirement benefits is based solely on the requirements under Republic Act (RA) No. 7641, otherwise known as The Philippine Retirement Pay Law of the Philippines, as the Club does not have a formal retirement plan. The latest valuation report of the retirement plan was made as at December 31, 2024.

The following tables summarize the components of pension expenses recognized in the statements of comprehensive income and the liability amounts recognized in the statements of financial position.

The components of pension expense (included in cost of sales, cost of services and general and administrative expenses under salaries, wages and employee benefits) in Note 12 to the financial statements below:

|                          | 2024      | 2023      | 2022      |
|--------------------------|-----------|-----------|-----------|
| Current service cost     | 1,461,166 | 1,314,018 | 1,559,744 |
| Interest cost            | 764,762   | 742,948   | 501,218   |
| Total retirement expense | 2,225,928 | 2,056,966 | 2,060,962 |

Cumulative remeasurement effect recognized in OCI included in equity under remeasurement gain (loss) on pension liability in the statements of financial position:

|   | 2024        | 2023        |
|---|-------------|-------------|
| Balances at beginning of year                 | 5,696,861   | 5,999,619   |
| Remeasurement (loss) gain on DBO              | 1,130,948   | (302,758)   |
|   | 6,827,809   | 5,696,861   |
| Income tax effect                             | (1,706,952) | (1,424,215) |
| Total amount recognized in OCI at end of year | 5,120,857   | 4,272,646   |

The remeasurement effects recognized in other comprehensive income (OCI) follow:

|                                    | 2024      | 2023      | 2022      |
|------------------------------------|-----------|-----------|-----------|
| Actuarial gain (loss) due to:      |           |           |           |
| Changes in demographic assumptions | 1,064,617 | (228,959) | 2,189,038 |
| Experience adjustment              | 66,331    | (73,798)  | (281,091) |
|                                    | 1,130,948 | (302,757) | 1,907,947 |
| Income tax effect                  | 282,737   | 75,689    | (535,893) |
| Remeasurement gain (loss) in OCI   | 848,211   | (227,068) | 1,372,054 |

Changes in the present value of the defined benefit obligation are as follows:

|   | 2024        | 2023       |
|---|-------------|------------|
| Balance at January 1                          | 12,537,089  | 10,177,365 |
| Current service cost                          | 1,461,166   | 1,314,018  |
| Interest cost                                 | 764,762     | 742,948    |
| Remeasurement (gain) loss in OCI              | (1,130,948) | 302,758    |
| Total amount recognized in OCI at end of year | 13,632,069  | 12,537,089 |

The cost of defined benefit pension plans and other post-employment benefits as well as the present value of defined benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plans are as follows:

|                      | 2024  | 2023  |
|----------------------|-------|-------|
| Discount rate        | 6.20% | 6.10% |
| Salary increase rate | 5.00% | 6.00% |

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the DBO as at the end of the reporting period, assuming if all other assumptions were held constant:

|               | Increase (Decrease) in rates | Effect on DBO |           |
|---------------|------------------------------|---------------|-----------|
|               |                              | 2024          | 2023      |
| Discount rate | +1.00%                       | (864,433)     | (910,572) |
|               | -1.00%                       | 1,002,611     | 1,062,913 |
| Salary rate   | +1.00%                       | 957,240       | 1,009,184 |
|               | -1.00%                       | (842,476)     | (883,980) |

The defined benefits obligation typically exposes the Club to a number of risks such as interest rate risk, longevity and salary risk.

#### *Interest rate risk*

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement liability. An increase in government bond yields will decrease the defined benefit obligation. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the Club.

#### *Longevity and salary risks*

The present value of the defined benefit obligation is calculated by reference to the best estimates of: (1) the mortality of the plan participants, and (2) the future salaries of the plan participants. Consequently, increases in life expectancy and salary of the plan participants will result in an increase in the defined benefit obligation.

Shown below is the maturity analysis of the DBO based on undiscounted benefit payments as at December 31:

|              | 2024       | 2023       |
|--------------|------------|------------|
| Year 2 to 5  | 8,715,874  | 8,379,085  |
| Year 6 to 10 | 3,268,374  | 3,344,562  |
|              | 11,984,248 | 11,723,647 |

The weighted average duration of the defined benefit obligation at the end of the reporting period is 13 years (2023 - 13 years) as at December 31, 2024.

#### *Critical accounting estimate - Estimating pension cost and liability*

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These assumptions are described in Note 13, and include, among others, the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

## 14 Income tax

Provision for current income tax pertaining to MCIT follows:

|         | 2024      | 2023    | 2022    |
|---------|-----------|---------|---------|
| Current | 1,183,374 | 833,901 | 686,666 |
| Final   | 5,119     | 5,199   | 5,345   |
|         | 1,188,493 | 839,100 | 692,011 |

The reconciliation of the provision for income tax computed using the statutory income tax rate to the provision for income tax shown in profit or loss follows:

|  | 2024        | 2023        | 2022        |
|--|-------------|-------------|-------------|
| Benefit from income tax at statutory income tax of 25% | 522,152     | (160,135)   | 4,935,398   |
| Tax effect of:   |             |             |             |
| Nontaxable membership dues                             | (8,924,001) | (5,928,466) | (5,657,624) |
| Expired NOLCO and MCIT                                 | -           | -           | 4,774,224   |
| Changes in unrecognized deferred tax assets            | 9,591,622   | 6,929,001   | (3,358,651) |
| Interest income subjected to final tax                 | (1,280)     | (1,300)     | (1,336)     |
| Provision for income tax                               | 1,188,493   | 839,100     | 692,011     |

Deferred tax assets are recognized only to the extent that taxable profits will be available against which the deferred tax assets can be used or when there are sufficient taxable temporary differences which are expected to reverse in the same period as the expected reversal of the deductible temporary differences. The Club assesses the unrecognized deferred tax assets and will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will allow all or part of the deferred tax assets to be recovered.

The Club has deductible temporary differences, NOLCO and MCIT, for which no deferred tax assets were recognized follows:

|                       | Notes | 2024        | 2023        |
|-----------------------|-------|-------------|-------------|
| NOLCO                 |       | 152,166,255 | 120,827,612 |
| Pension liability     |       | 20,893,126  | 18,667,199  |
| Allowance for ECL     | 4     | 12,393,644  | 12,393,644  |
| Provision on advances | 6     | 688,282     | 688,282     |
| MCIT                  |       | 2,703,941   | 1,520,567   |
|                       |       | 188,845,248 | 154,097,304 |

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(b) 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.

The Company is entitled to NOLCO benefit which can be applied to its taxable income in the succeeding years from the year the loss was incurred. The details of the Club's NOLCO as at December 31 are as follows:

| Year of incurrence                        | Year of expiry | 2024        | 2023        |
|---|----------------|-------------|-------------|
| 2024                                      | 2027           | 31,338,643  | -           |
| 2023                                      | 2026           | 22,323,434  | 22,323,434  |
| 2022                                      | 2025           | 854,663     | 854,663     |
| 2021                                      | 2026           | 41,313,289  | 41,313,289  |
| 2020                                      | 2025           | 56,336,226  | 56,336,226  |
|   |                | 152,166,255 | 120,827,612 |
| Applied during the year                   |                | -           | -           |
| Expired during the year                   |                | -           | -           |
|   |                | 152,166,255 | 120,827,612 |
| Income tax rate                           |                | 25%         | 25%         |
| Unrecognized deferred tax assets on NOLCO |                | 38,058,669  | 24,626,045  |

The excess of MCIT against RCIT recognized in 2024 amounting to P1,183,374 will expire in 2027.

As at December 31, 2024, the Club recognized deferred tax liability on remeasurement gain on pension liability amounting to P1,706,952 (2023 - P1,424,215) (Note 13).

#### *Critical accounting estimate - Recognizing deferred tax assets*

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. These assets are periodically reviewed for realization. Periodic reviews cover the nature and amount of all deductible temporary differences, expected timing when assets will be used or liabilities will be required to be reported, reliability of historical profitability of businesses expected to provide future earnings and tax planning strategies which can be utilized to increase the likelihood that tax assets will be realized.

## **15 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are 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 that 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**

The Club, in the normal course of business, entered into transactions with related parties consisting primarily of the construction of the Club's leisure and recreational facilities, and charges for the use of the Club's facilities and services. Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, noninterest bearing and are normally settled in cash.

*Outstanding balances owed by related parties:*

|  | 2024        |                     | 2023              |                     | Terms and conditions  |
|--|-------------|---------------------|-------------------|---------------------|---|
|  | Amount      | Outstanding balance | Amount/<br>volume | Outstanding balance |   |
| <b>Immediate Parent Company</b>                    |             |                     |                   |                     |   |
| ALI (Trade) (a.i)                                  | 737,000     | 307,206             | 361,900           | 438,106             | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>            |
| ALI (Professional Fees) (a.ii)                     | 865,975     | 1,223,132           | 828,714           | 376,183             | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>            |
| ALI (Loans)  | 30,000,000  | -                   | 125,000,000       | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| ALI (Interest)                                     | 113,575     | -                   | 688,488           | -                   | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.02% to 6.97%</li><li>• Collectible in cash with 14 to 36 days term</li></ul> |
| <b>Entities Under Common Control</b>               |             |                     |                   |                     |   |
| Bay City Commercial Ventures Inc. (Loans)          | 987,500,000 | 92,500,000          | 700,000,000       | 87,500,000          | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.47% to 7.19%</li></ul>                                  |
| Bay City Commercial Ventures Inc. (Interest)       | 5,540,660   | 416,101             | 4,780,946         | 4,780,946           | <ul style="list-style-type: none"><li>• Collectible in cash with 18 to 48 days term</li></ul>   |
| Cebu District Property Enterprise, Inc (Loans)     | 320,000,000 | 12,500,000          | 272,500,000       | 42,500,000          | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.56% to 7.19%</li></ul>                                  |
| Cebu District Property Enterprise, Inc. (Interest) | 1,761,638   | 35,022              | 1,826,487         | 1,447,705           | <ul style="list-style-type: none"><li>• Collectible in cash with 12 to 62 days term</li></ul>   |
| Avida Land Inc.(Loans)                             | -           | -                   | 15,000,000        | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Avida Land Inc.(Interest)                          | -           | -                   | 12,481            | -                   | <ul style="list-style-type: none"><li>• Interest bearing; subject to 6.80% interest rate</li><li>• Collectible in cash with 5 days term</li></ul>               |
| Amaia Land Inc. (Loans)                            | -           | -                   | 180,000,000       | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Amaia Land Inc. (Interest)                         | -           | -                   | 658,571           | -                   | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.25% to 7.24%</li><li>• Collectible in cash with 14 to 42 days term</li></ul> |
| ALI Commercial Center (Loans)                      | -           | -                   | 85,000,000        | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.25% to 7.02%</li></ul>                                  |
| ALI Commercial Center (Interest)                   | -           | -                   | 830,214           | -                   | <ul style="list-style-type: none"><li>• Collectible in cash with 14 to 42 days term</li></ul>   |
| Soltea Commercial Corp. (Loans)                    | -           | -                   | 60,000,000        | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.69% to 7.84%</li></ul>                                  |
| Soltea Commercial Corp. (Interest)                 | -           | 219,131             | 532,493           | 219,131             | <ul style="list-style-type: none"><li>• Collectible in cash with 29 to 63 days term</li></ul>   |
| Arca South Hotel Ventures Inc. (Loans)             | 25,000,000  | -                   | 30,000,000        | 5,000,000           | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.69% to 7.07%</li></ul>                                  |
| Arca South Hotel Ventures Inc. (Interest)          | 149,617     | -                   | 253,795           | 86,173              | <ul style="list-style-type: none"><li>• Collectible in cash with 15 to 62 days term</li></ul>   |
| North Triangle Depot, Inc (Loan)                   | 28,000,000  | -                   | -                 | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.69% to 7.25%</li></ul>                                  |
| North Triangle Depot, Inc (Interest)               | 167,177     | 162,161             | -                 | -                   | <ul style="list-style-type: none"><li>• Collectible in cash with 28 to 47 days term</li></ul>   |
| Ayala Makati Hotel Property Inc. (Loans)           | 70,000,000  | 10,000,000          | -                 | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.56% to 7.18%</li></ul>                                  |
| Ayala Makati Hotel Property Inc. (Interest)        | 414,534     | 86,836              | -                 | -                   | <ul style="list-style-type: none"><li>• Collectible in cash with 25 to 52 days term</li></ul>   |
| Cavite Commercial Town Center Inc. (Loans)         | 35,000,000  | 5,000,000           | -                 | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.56% to 7.19%</li></ul>                                  |
| Cavite Commercial Town Center Inc. (Interest)      | 194,781     | 188,937             | -                 | -                   | <ul style="list-style-type: none"><li>• Collectible in cash with 22 to 55 days term</li></ul>   |
| Ten Knots Phil. Inc. (Loans)                       | 45,000,000  | 5,000,000           | -                 | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.56% to 7.19%</li></ul>                                  |
| Ten Knots Phil. Inc. (Interest)                    | 261,739     | 90,742              | -                 | -                   | <ul style="list-style-type: none"><li>• Collectible in cash with 22 to 50 days term</li></ul>   |

forward

continued

|   | 2024        |                     | 2023           |                     | Terms and conditions   |
|---|-------------|---------------------|----------------|---------------------|--|
|   | Amount      | Outstanding balance | Amount/ volume | Outstanding balance |  |
| Unity Realty Development Corp. (Loans)              | 128,000,000 | 12,000,000          | –              | –                   | • Unsecured;<br>• Interest bearing with rates ranging from 6.42% to 7.25%                  |
| Unity Realty Development Corp. (Interest)           | 607,632     | 589,403             | –              | –                   | • Collectible in cash with 8 to 47 days term   |
| Anvaya Cove Golf and Sports Club, Inc. (ACGSCI) (b) | 57,843,509  | 6,235,294           | 56,820,320     | 6,348,293           | • Unsecured;<br>• Non- interest bearing<br>• Collectible in cash at gross amount on demand |
| Makati Development Corporation (MDC) (c)            | -           | 9,911               | –              | 9,911               | • Unsecured;<br>• Non- interest bearing<br>• Collectible in cash at gross amount on demand |
|   |             | 146,563,874         |                | 148,581,926         |  |

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Receivables from ALI consists of the following:
  - i. Trade receivables from ALI includes unsecured non-interest-bearing charges and unpaid membership dues from ALI nominees
  - ii. Receivables from ALI pertains to expenses reimbursement of the Club for the ALI shares on payment of doctor's professional fees.
  - iii. Loans and interest receivables pertain to loans which has 4 to 80 days term subject to interest rate ranging from 6.02% to 7.25%.
- b. Receivable from ACGSCI pertains to charges for the use of the Club's facilities and services by the members of ACGSCI.
- c. Receivable from MDC are related to meals and diesel charges incurred by employees of MDC in the Club.

*Outstanding balances owed to related parties:*

|   | 2024       |                     | 2023           |                     | Terms and conditions   |
|---|------------|---------------------|----------------|---------------------|--|
|   | Amount     | Outstanding balance | Amount/ volume | Outstanding balance |  |
| <b>Immediate Parent Company</b>                 |            |                     |                |                     |  |
| ALI (a)   | 36,453,158 | -                   | 29,138,173     | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| <b>Entities Under Common Control</b>            |            |                     |                |                     |  |
| Ayala Land Club Management, Inc. (ACMI) (b)(i)  | -          | -                   | 4,452,974      | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Ayala Land Club Management, Inc. IACMI) (b)(ii) | -          | -                   | 3,128,521      | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Ayala Land Premier (c)                          | 6,399,668  | -                   | 1,945,455      | 1,363,577           | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| ACGSCI (d)                                      | 10,325,101 | 976,973             | 11,108,167     | 956,095             | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |

forward

continued

|   | 2024      |                     | 2023           |                     | Terms and conditions   |
|---|-----------|---------------------|----------------|---------------------|--|
|   | Amount    | Outstanding balance | Amount/ volume | Outstanding balance |  |
| MDC €                                       | 6,956,578 | -                   | 3,533,907      | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| <b>Associates of Ayala Corporation (AC)</b> |           |                     |                |                     |  |
| Globe Telecom, Inc. (f)                     | 346,642   | -                   | 264,563        | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Innove Communications, Inc. (g)             | 3,359,940 | 291,878             | 3,542,423      | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Manila Water Philippine Venture, Inc. (h)   | 3,736,776 | -                   | 2,648,360      | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Total                                       |           | 1,268,851           |                | 2,319,672           |  |

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Amount owed to ALI pertains to costs incurred for property insurance recorded as part of insurance in general and administrative expenses.
- b. Payable to ACMI pertains to basic management fee, incentive fee and system cost. All outstanding payables to ACMI were all transferred to Ayalaland Premier Inc. after the SEC approved the merger of ALSI, ACMI and Ayalaland Premier on October 17, 2023, with the latter as the surviving entity.
- c. Payable to Ayalaland Premier Inc. pertains to the basic management fee, incentive fee and system cost which were previously billed by ACMI. The payables consist of the following:
  - i. Management fees, as agreed upon, include basic management fee amounting to 318,079 per month with an escalation clause of 7.50% per annum and incentive fee equivalent to 3.00% of gross operating profit per month included as part of total management fees in general and administrative expense.
  - ii. System cost at a monthly fixed amount of 644,958 as at December 31, 2024 (2023 - P312,852), included as part of corporate expenses in general and administrative expenses.
- d. Payable to ACGSCI pertains to charges incurred by Club members in ACGSCI and inventory transfers.
- e. Payable to MDC pertains to ground maintenance services provided.
- f. Payable to Globe consists of cost incurred for the prepaid mobile line and text blast communication to all members as billed by Amber.
- g. Payable to Innove consists of cost incurred for the trunk line and direct internet of the club.
- h. Payable to Manila Water consists of cost of water utilities incurred by the club.

The amounts receivable from and payable to related parties are not offset since they differ in nature and are billed and paid separately rather than settled on a net basis.



### *Transactions with BPI*

The Club maintains the following accounts with BPI (an associate of AC):

|                          |      | 2024       |               |                              | 2023       |               |                              |
|--------------------------|------|------------|---------------|------------------------------|------------|---------------|------------------------------|
|                          | Note | Balance    | Income earned | Realized and unrealized gain | Balance    | Income earned | Realized and unrealized gain |
| Cash in banks            | 2    | 30,236,344 | 25,593        | -                            | 15,864,355 | 25,996        | -                            |
| Financial assets at FVPL | 3    | 1,042,089  | -             | 76,235                       | 5,359,377  | -             | 225,785                      |
|                          |      | 31,278,433 | 25,593        | 76,235                       | 21,223,732 | 25,996        | 225,785                      |

### *Compensation of key management personnel*

Ayala Land Club Management, Inc. (ACMI), a wholly owned subsidiary of ALI, manages the operation of the Club under a Management Agreement which was renewed on January 1, 2022 and shall be effective until January 1, 2025. By virtue of the approval of the merger of ACMI, AyalaLand Premier, Inc. (ALPI), and Ayala Land Sales, Inc. by the SEC on October 17, 2023 wherein ALPI was the surviving entity, contract has now been transferred to ALPI. Compensation paid to key management personnel amounted to P7,739,508 in 2024 (2023 - P3,754,225).

## **16 Financial assets and financial liabilities**

### *Fair value information*

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash, accounts and other receivables, receivables from related parties, accounts and other payables, contract liabilities and payables to related parties - Carrying amounts approximate fair values due to the relatively short-term nature of these amounts.

Financial assets at FVPL - These are investments in UITF. Fair value is based on net asset values as at each reporting date.

### *Fair value hierarchy*

The Club classified financial assets at FVPL under Level 1 of the fair value hierarchy (Note 3). There have been no transfers between different categories.

### *Financial risk management objectives and policies*

The Club's principal financial instruments comprise of cash, financial assets at FVPL, accounts and other receivables, receivables from related parties, accounts and other payables, contract liabilities and payables to related parties. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The Club's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Club.

The main risks arising from the use of financial instruments are credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized as follows:

*(a) Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Club's maximum exposure to credit risk as at December 31, 2024 and 2023 is the carrying amounts of the financial assets. The Club's maximum exposure for cash excludes the carrying amount of cash on hand. The table below shows the maximum credit risk exposure of the Club:

|                                  | 2024        | 2023        |
|----------------------------------|-------------|-------------|
| Cash in banks                    | 30,236,344  | 15,864,355  |
| Financial assets at FVPL         | 1,042,089   | 5,359,377   |
| Accounts and other receivables:  |             |             |
| Trade receivables                | 41,125,413  | 35,264,446  |
| Receivable from employees        | 513,093     | 314,332     |
| Others                           | 2,397,406   | 4,344,864   |
| Receivables from related parties | 146,563,874 | 148,581,926 |
|                                  | 221,878,218 | 209,729,300 |

*Impairment of financial assets*

The Club's financial assets that are subject to the ECL model consists of cash, accounts and other receivables, and receivables from related parties.

*Cash in banks and financial assets at FVPL*

The investment of the Club's cash resource is managed so as to minimize risk while seeking to enhance yield. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing. The Club transacts only with bank which have demonstrated financial soundness for the past five years.

*Receivables from related parties*

The Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Identified impairment losses for cash in banks and due from related parties are immaterial.

*Accounts and other receivables*

The Club is exposed to credit risk from its operating activities, primarily on its trade receivables. To manage credit risks, the Club maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

The Club's trade receivables generally pertain 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 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.

Below is the information about the credit risk exposure on the Club's trade receivables using a provision matrix:

**December 31, 2024**

|   | Current    | < 30 days | < 90 days | > 90 days but<br>< 360 days | Over 360<br>days | Total      |
|---|------------|-----------|-----------|-----------------------------|------------------|------------|
| Estimated total gross carrying amount of accounts receivables | 16,031,753 | 3,086,709 | 2,601,525 | 3,706,960                   | 15,698,465       | 41,125,412 |
| ECL   | -          | -         | -         | -                           | 12,393,644       |            |

**December 31, 2023**

|   | Current   | < 30 days | < 90 days | > 90 days but<br>< 360 days | Over 360<br>days | Total      |
|---|-----------|-----------|-----------|-----------------------------|------------------|------------|
| Estimated total gross carrying amount of accounts receivables | 7,486,708 | 2,970,993 | 2,558,850 | 4,747,331                   | 17,500,564       | 35,264,446 |
| ECL   | -         | -         | -         | -                           | 12,393,644       |            |

**(b) 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. This may result from either the inability to sell financial assets quickly at their fair values; or a counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Club employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Club applies a prudent approach to liquidity through the prudent management of cash.

The tables below summarize the aging analysis and maturity profile of the Club's financial assets and financial liabilities, respectively, based on undiscounted contractual cash flows:

|   | Notes | Due and<br>demandable | Less than<br>3 months | 3 to<br>12 months | More than<br>1 year | Total              |
|---|-------|-----------------------|-----------------------|-------------------|---------------------|--------------------|
| <b>December 31, 2024</b>                |       |                       |                       |                   |                     |                    |
| <i>Financial assets</i>                 |       |                       |                       |                   |                     |                    |
| Cash                                    |       | 30,296,337            | -                     | -                 | -                   | 30,296,337         |
| Financial assets at FVPL                |       | 1,042,089             | -                     | -                 | -                   | 1,042,089          |
| Accounts and other receivables          |       |                       |                       |                   |                     |                    |
| Trade receivables                       |       | 16,031,753            | 4,787,813             | 4,607,381         | 3,304,821           | 28,731,769         |
| Receivable from employees               |       | 513,093               | -                     | -                 | -                   | 513,093            |
| Others                                  |       | 2,397,406             | -                     | -                 | -                   | 2,397,406          |
| Receivables from related parties        |       | 146,563,874           | -                     | -                 | -                   | 146,563,874        |
|   |       | 196,844,552           | 4,787,813             | 4,607,381         | 3,304,821           | 209,544,568        |
| <i>Financial liabilities</i>            |       |                       |                       |                   |                     |                    |
| Accounts and other payables             |       |                       |                       |                   |                     |                    |
| Trade payables                          |       | 15,685,946            | 7,357                 | -                 | -                   | 15,693,303         |
| Accrued expenses                        |       | -                     | 16,665,664            | -                 | -                   | 16,665,664         |
| Funds held for environmental activities |       | 7,779,341             | -                     | -                 | -                   | 7,779,341          |
| Service charge payable                  |       | -                     | 1,359,880             | -                 | -                   | 1,359,880          |
| Due to employees                        |       | -                     | 362,704               | -                 | -                   | 362,704            |
| Vouchers payable                        |       | 845,658               | -                     | -                 | -                   | 845,658            |
| Other payables                          |       | 741,136               | -                     | -                 | -                   | 741,136            |
| Contract liabilities                    |       | -                     | 24,097,544            | -                 | -                   | 24,097,544         |
| Payables to related parties             |       | 1,268,851             | -                     | -                 | -                   | 1,268,851          |
|   |       | 26,320,932            | 42,493,149            | -                 | -                   | 68,814,081         |
| <b>Liquidity Position (Gap)</b>         |       | <b>170,523,620</b>    | <b>(37,705,336)</b>   | <b>4,607,381</b>  | <b>3,304,821</b>    | <b>140,730,487</b> |

\*Excluding statutory liabilities amounting to P3,512,622

|   | Notes | Due and<br>demandable | Less than<br>3 months | 3 to<br>12 months | More than<br>1 year | Total              |
|---|-------|-----------------------|-----------------------|-------------------|---------------------|--------------------|
| <b>December 31, 2023</b>                |       |                       |                       |                   |                     |                    |
| <i>Financial assets</i>                 |       |                       |                       |                   |                     |                    |
| Cash                                    |       | 15,952,167            | -                     | -                 | -                   | 15,952,167         |
| Financial assets at FVPL                |       | 5,359,377             | -                     | -                 | -                   | 5,359,377          |
| Accounts and other receivables          |       |                       |                       |                   |                     |                    |
| Trade receivables                       |       | 7,486,708             | 4,442,392             | 5,834,783         | 5,106,920           | 22,870,803         |
| Receivable from employees               |       | 314,332               | -                     | -                 | -                   | 314,332            |
| Others                                  |       | 4,344,864             | -                     | -                 | -                   | 4,344,864          |
| Receivables from related parties        |       | 148,581,926           | -                     | -                 | -                   | 148,581,926        |
|   |       | 182,039,374           | 4,442,392             | 5,834,783         | 5,106,920           | 197,423,469        |
| <i>Financial liabilities</i>            |       |                       |                       |                   |                     |                    |
| Accounts and other payables             |       |                       |                       |                   |                     |                    |
| Trade payables                          |       | 17,620,340            | 8,117                 | 38,600            | -                   | 17,667,057         |
| Accrued expenses                        |       | -                     | 21,996,150            | -                 | -                   | 21,996,150         |
| Funds held for environmental activities |       | 5,756,641             | -                     | -                 | -                   | 5,756,641          |
| Service charge payable                  |       | -                     | 1,293,763             | -                 | -                   | 1,293,763          |
| Vouchers payable                        |       | -                     | 391,171               | -                 | -                   | 391,171            |
| Due to employees                        |       | 852,569               | -                     | -                 | -                   | 852,569            |
| Other payables*                         |       | 463,625               | -                     | -                 | -                   | 463,625            |
| Contract liabilities                    |       | -                     | 21,997,620            | -                 | -                   | 21,997,620         |
| Payables to related parties             |       | 2,319,672             | -                     | -                 | -                   | 2,319,672          |
|   |       | 27,012,847            | 45,686,821            | 38,600            | -                   | 72,738,268         |
| <b>Liquidity Position (Gap)</b>         |       | <b>155,026,527</b>    | <b>(41,244,429)</b>   | <b>5,796,183</b>  | <b>5,106,920</b>    | <b>124,685,201</b> |

\*Excluding statutory liabilities amounting to P4,081,008

## 17 Supplementary note to the statements of cash flows

In 2024, the Club maximized its cash flow and continued to invest the excess fund to intercompany lending which generated an interest income of P9,221,206 (2023 - P9,583,475), with interest rate ranging from 6.02% to 7.25%.

Related parties who availed the Club's intercompany lending includes the Ayala Land Inc., Bay City Commercial Ventures Inc., Cebu District Property Ent., Arca South Hotel Ventures Inc., Cavite Commercial Town Center Inc., North Triangle Depot Commercial Corp. Ten Knots Philippines Inc., Unity Realty & Development Corp. and Ayala Makati Hotels Property Inc.

The Club recorded proceeds on disposal of property and equipment amounting to P659,821 (2023 - P3,300).

## **18 Summary of material accounting policies**

### **18.1 Basis of preparation**

The financial statements of the Club have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss that have been measured at fair value. The Club's functional currency is the Philippine Peso (P) and all amounts are rounded off to the nearest peso, unless otherwise indicated.

#### *Statement of compliance*

The financial statements of the Company have been prepared in accordance with Philippines Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

#### *Basis of measurement*

The accompanying financial statements have been prepared on the historical cost basis and are presented in Philippine Peso, which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso, unless otherwise indicated.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- *Critical accounting judgement - 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, 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.

- *Critical accounting estimate - Evaluating asset impairment (Notes 7 and 6)*
- *Critical accounting estimate - Estimating allowance for ECLs of receivables (Note 8)*
- *Critical accounting judgement - Identification of contract with customers under PFRS 15 (Note 10)*
- *Critical accounting judgement - Identifying performance obligations (Note 10)*
- *Critical accounting estimate - Estimating pension cost and liability (Note 13)*
- *Critical accounting estimate - Recognizing deferred tax assets (Note 14)*

## *Changes in accounting policies and disclosures*

### *(a) New standards, and amendments and interpretations to existing standards adopted*

The Club has adopted the following amendments to existing standards starting January 1, 2024:

- Amendments to PAS 1, 'Presentation of Financial Statements'

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

- Amendments to PAS 7 and PFRS 7, 'Supplier Finance Arrangement'

The amendments to PAS 7 and PFRS 7 were made to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

1. The terms and conditions of SFAs.
2. The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
3. The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
4. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
5. Non-cash changes in the carrying amounts of financial liabilities in no. 2.
6. Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The standards do not require comparative information in the first year, and disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 31, 2024 year end, unless an entity has a financial year of less than 12 months.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2024 that are considered to be relevant or have a material impact on the Club's financial statements.

*(b) New standards, and amendments and interpretations to existing standards not yet effective as at December 31, 2024*

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. None of these are expected to be relevant and have a significant effect on the financial reporting of the Company, while the most relevant ones are set out as follows:

- Amendments to PFRS 9 and PFRS 7, 'Classification and Measurement of Financial Instruments'

PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted subject to any endorsement process.

- PFRS 18, 'Presentation and Disclosure in Financial Statements'

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is still evaluating the impact of the new standard.

The adoption of the above standards and amendments to existing standards is not expected to have a

material impact on the financial statements of the Club.

There are no other new standards, interpretations and amendments to existing standards effective after January 1, 2024 that are considered to be relevant or have a material impact on the Club's financial statements.

## **18.2 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 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 and liabilities 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) prices in active markets for identical assets or liabilities
  - Level 2 - Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
  - Level 3 - Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
- 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 and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## **18.3 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.

### **18.3.1 Financial assets**

#### ***(a) Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, or fair value through profit or loss (FVPL), as applicable.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient, the Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables 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, 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Club commits to purchase or sell the asset.

*(b) Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in two applicable categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVPL

*(c) 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, accounts and other receivables and receivables from related parties.

*(d) Financial assets at FVPL*

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income. This category includes investment in Unit Investment Trust Fund (UITF).

*(e) 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 balance sheet) 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.

*(f) Impairment of financial assets*

The Club recognizes an allowance for estimated credit losses (ECLs) for all debt instruments carried at amortized cost. 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.

For accounts and other receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward- looking factors specific to the debtors and the economic environment.

The Club considers a receivable 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Club implements a policy on its receivables, wherein members in the delinquent list or those with accounts that are past due for more than 120 days are reported to the BOD. The respective shares of the members or of the juridical entities they represent shall be ordered sold by the BOD, through an auction, to satisfy the claims of the Club.

### 18.3.2 Financial liabilities

#### *(a) Initial recognition and measurement*

Financial liabilities are classified at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, 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).

#### *(b) Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortized cost.

#### *Financial liabilities at amortized cost (loans and borrowings)*

This is the category most relevant to the Club. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through 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 interest expense in the statement of income.

#### *(c) Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### 18.3.3 Offsetting of financial instruments

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 offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## **18.4 Inventories**

Inventories are valued at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventories is determined using the moving average method.

An allowance for inventory losses is provided for slow-moving, obsolete and defective inventories based on management's physical inspection and evaluation.

## 18.5 Value-added tax (VAT)

Revenues, 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 up 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.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

## 18.6 Property and equipment, net

Property and equipment, except for land, are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Projects in progress are also capitalized as part of property and equipment under separate account, projects in progress. These projects will form part of building and improvements and furniture, fixtures and equipment. Items under the account are not depreciated until completed and proper reclassification is made.

Depreciation of property and equipment commences once the following month after acquisition and is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

|                                  | Years |
|----------------------------------|-------|
| Building and improvements        | 35    |
| Land improvements                | 25    |
| Furniture, fixture and equipment | 5     |

The assets' estimated useful lives and depreciation method are reviewed periodically to ensure that the amounts, periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated property and equipment are retained in the accounts while still in use although no further depreciation is charged to current operations.

## 18.7 Impairment of non-financial assets

### *Advances and other noncurrent assets*

The Club provides allowance for impairment losses on advances and other noncurrent assets when these 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.

#### **18.8 Pension costs**

The liability recognized in the statements of financial position in respect of defined benefits pension plans is the present value of the defined benefits obligation (DBO) at the reporting date less fair value of the plan assets, if any. The present value of the DBO is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Pension costs of the DBO is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

Defined benefit costs include:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefits liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in statement of comprehensive income. Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), if any, are recognized immediately in the statements of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

## **18.9 Equity**

### *Paid-in capital*

Paid-in capital is measured at stated value for all shares subscribed, issued and outstanding.

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

If additional paid-in capital is not sufficient, the excess is charged against retained earnings. 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.

## **18.10 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 disclosures of critical accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 1.

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.

#### *Transfer fees*

Transfer fees pertain to earnings from transfer of member's ownership recorded upon initiation of transfer process. Revenue is recorded at point in time when the services are rendered.

### **18.11 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.

### **18.12 Leases**

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.  
*Short term lease and leases of low-value assets*

The Club applied the short-term lease recognition to its short-term leases of office equipment. It also applies the lease of low-value assets recognition exemption to its leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### **18.13 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 that are 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.

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. 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 the deferred tax asset to be recovered.

Income tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income.

### *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.

## **18.14 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. 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.

## **18.15 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 financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the financial statements when material.

## 19 Supplementary tax information required under Revenue Regulations (RR) no. 15-2010

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Details of the Club's net sales/receipts, output VAT and input VAT accounts are as follows:

### a. Value added tax (VAT)

#### (i) Output VAT

VAT net sales/receipt and output VAT declared in the Club's VAT returns for the year 2024:

|                  | Gross revenue | Output VAT |
|------------------|---------------|------------|
| Taxable sales:   |               |            |
| Sale of services | 144,200,657   | 17,304,079 |
| Sale of goods    | 97,912,744    | 11,749,529 |
|                  | 242,113,401   | 29,053,608 |

Sale of services subject to VAT pertains to gross revenue from room accommodation, guest fees, spa services and rental of recreational equipment. On the other hand, sale of goods pertains to gross revenue from sale of food, beverage and merchandise in the Club's restaurants and shop.

The Club recognizes the same VAT treatment on both sale of goods and services under the Ease of Paying Taxes (EOPT) Act.

The Club has exempt sales amounting to P87,358,557 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.

#### (ii) Input VAT

The amount of input VAT input taxes claimed are broken down as follows:

|   | Amount     |
|---|------------|
| Beginning of the year   | -          |
| Input tax carried over  | 530,457    |
| Current year's domestic purchases/payments for:   |            |
| Goods for resale/manufacture for further processing   | 48,009,643 |
| Capital goods subject to amortization   |            |
| Capital goods not subject to amortization   | 27,319,785 |
| Services lodged under accounts  | 75,235,828 |
| Total input VAT available   | 18,598,288 |
| Less input tax on capital goods subject to amortization, deferred for the succeeding period | 224,375    |
| Less input tax allocable to exempt sales  | 4,608,532  |
| Input VAT applied during the current year   | 13,765,382 |
| Less claims against output VAT  | 13,765,385 |
| Balance at the end of the year  | -          |



b. Taxes and licenses

This includes all other taxes, local and national, included under the taxes and licenses account under general and administrative expenses. Details of other taxes and licenses in 2024 follow:

|                             |           |
|-----------------------------|-----------|
| Local                       |           |
| Real estate taxes           | 1,912,411 |
| Licenses and permits        | 3,678,879 |
| Community tax certificate   | 10,500    |
| National                    |           |
| BIR annual registration fee | 500       |
|                             | 5,602,290 |

c. Withholding taxes

Details of withholding taxes in 2024 follows:

|  | Paid      | Accrued   | Total     |
|--|-----------|-----------|-----------|
| Expanded withholding taxes                     | 4,630,052 | 1,193,878 | 5,832,930 |
| Withholding taxes on compensation and benefits | 3,242,039 | 124,970   | 3,367,009 |
| Final withholding taxes                        | -         | -         | -         |
|  | 7,872,091 | 1,318,848 | 9,199,939 |

d. Tax assessment and cases

The Club has no deficiency tax assessments or any tax cases, litigation, and/or prosecution in courts or bodies outside the Bureau of Internal Revenue as at December 31, 2024.

All other requirements of RR No. 15-2010 are not applicable to the Club due to absence of relevant transactions.

**Anvaya Cove Beach and Nature Club, Inc.**  
Supplementary Schedules  
As of December 31, 2024

**Supplementary Schedules Required by Annex 68-J**

|             |   |
|-------------|---|
| Schedule A. | Financial Assets  |
| Schedule B. | Amounts receivable from directors, officers, employees, related parties and principal stockholders            |
| Schedule C. | Amounts receivable from related parties which are eliminated during the consolidation of financial statements |
| Schedule D. | Long-term debt  |
| Schedule E. | Indebtedness to a related party   |
| Schedule F. | Guarantees of securities and other issues   |
| Schedule G. | Capital stock   |

**Other Supporting Schedules**

Financial soundness indicators

Supplementary Schedule for External Auditor Fee-Related Information

**Anvaya Cove Beach and Nature Club, Inc.**  
Schedule A. Financial Asset  
As of December 31, 2024

| <b>Name of issuing entity and association of each issue</b> | <b>Number of Shares or Principal Amount of Bonds and Notes</b> | <b>Amount Shown in the Statements of Financial Position</b> | <b>Interest Income Received and Accrued</b> | <b>Realized /unrealized Gain on Financial Asset at FVPL</b> |
|---|--|---|---|---|
| <b>A. Cash in banks</b>                                     |  |   |   |   |
| Bank of the Philippine Islands (BPI)                        | Not applicable   | 30,236,344  | 25,593                                      | -   |
| <b>B. Financial assets at FVPL</b>                          |  |   |   |   |
| BPI Money Market Fund                                       | 3,564  | 1,042,089   | -   | 76,235  |
| <b>C. Accounts and other receivables</b>                    |  |   |   |   |
| Trade receivables   | Not applicable   | 28,731,769  | -   | -   |
| Receivable from employees                                   | Not applicable   |   |   |   |
| Other receivables   | Not applicable   | 2,397,406   | -   | -   |
| <b>D. Receivables from related parties</b>                  | Not applicable   | 146,563,874   | 9,221,203                                   | -   |
|   |  | <b>209,484,575</b>  | <b>9,390,551</b>                            | <b>76,235</b>   |

**Anvaya Cove Beach and Nature Club, Inc.**

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal  
Stockholders (Other than Related Parties)

Supplementary schedules required under Annex 68-J

As of December 31, 2024

| Name and<br>designation of<br>debtor | Balance<br>at the<br>beginning<br>of period | Additions | Deductions<br>Amounts<br>collected | Amounts<br>written<br>off | Current | Non-current | Balance at<br>the end of<br>period |
|--------------------------------------|---|-----------|------------------------------------|---------------------------|---------|-------------|------------------------------------|
| Employees                            | 314,332                                     | 895,390   | (696,629)                          | -                         | -       | -           | 513,092                            |

**Anvaya Cove Beach and Nature Club, Inc.**

Schedule C. Amounts Receivable from Related Parties which are eliminated during Consolidation of Financial Statements

As at December 31, 2024

| Name and designation of debtor | Balance at beginning of period | Additions | Deductions<br>Amounts collected | Amounts written off | Current | Not current | Balance at end of period |
|--------------------------------|--------------------------------|-----------|---------------------------------|---------------------|---------|-------------|--------------------------|
| Not Applicable                 |                                |           |                                 |                     |         |             |                          |

**Anvaya Cove Beach and Nature Club, Inc.**  
Schedule D. Long-term Debt  
As at December 31, 2024

| <b>Title of issue and type of obligation</b> | <b>Amount authorized by indenture</b> | <b>Amount shown under caption "Current portion of long-term debt" in related statement of financial position</b> | <b>Amount shown under "Long-Term Debt" in related statement of financial position</b> |
|--|---------------------------------------|--|---|
| Not applicable                               |                                       |  |   |

**Anvaya Cove Beach and Nature Club, Inc.**  
Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)  
As at December 31, 2024

| <b>Name of related party</b> | <b>Balance at beginning of period</b> | <b>Balance at end of period</b> |
|------------------------------|---------------------------------------|---------------------------------|
| Not applicable               |                                       |                                 |

**Anvaya Cove Beach and Nature Club, Inc.**  
Schedule F. Guarantees of Securities Other Issuers  
Supplementary Schedules Required Under Annex 68-J  
As at December 31, 2024

| <b>Name of issuing entity<br/>of securities guaranteed<br/>by the Club for which<br/>this statement is filed</b> | <b>Title of issue of<br/>each class of<br/>securities<br/>guaranteed</b> | <b>Total amount<br/>guaranteed and<br/>outstanding</b> | <b>Amount owned<br/>by person for<br/>which statement<br/>is filed</b> | <b>Nature of<br/>guarantee</b> |
|--|--|--|--|--------------------------------|
| Not applicable   |  |  |  |                                |



**Anvaya Cove Beach and Nature Club, Inc.**  
Schedule G. Capital Stock  
Supplementary Schedules Required Under Annex 68-J  
As at December 31, 2024

| <b>Title of issue</b> | <b>Number of<br/>shares<br/>authorized</b> | <b>Number of shares issued<br/>and outstanding at shown<br/>under related statement of<br/>financial position caption</b> | <b>Number of shares<br/>reserved for options,<br/>warrants, conversion and<br/>other rights</b> | <b>Number of shares<br/>held by related<br/>parties</b> | <b>Directors,<br/>officers and<br/>employees</b> | <b>Others</b> |
|-----------------------|--|---|---|---|--|---------------|
| <b>Common Stock:</b>  |  |   |   |   |  |               |
| Class A               | 3,468                                      | 3,468   | N/A   | 3,250   | 11   | 207           |
| Class B               | 1,950                                      | 1,950   | N/A   | 432   | -  | 1,518         |
| Class C               | 500  | 500   | N/A   | 352   | -  | 148           |
| Class D               | 702  | 702   | N/A   | 702   | -  | -             |
| Class E               | 180  | 180   | N/A   | 180   | -  | -             |
| <b>Total</b>          | <b>6,800</b>                               | <b>6,800</b>  | <b>-</b>  | <b>4,916</b>  | <b>11</b>  | <b>1,873</b>  |

**Anvaya Cove Beach and Nature Club, Inc.**  
Financial Soundness Indicators as at December 31, 2024

| Ratio                 | Formula  | 2024 | 2023   | 2022 |
|-----------------------|--|------|--------|------|
| Current ratio         | Current assets / Current liabilities   | 3.32 | 2.97   | 2.63 |
| Acid test ratio       | Quick assets (Total current assets excluding inventory)/ Current liabilities                                     | 2.90 | 2.90   | 2.33 |
| Solvency ratio        | EBITDA / Total debt (Total debt includes short-term debt, long- term debt and current portion of long-term debt) | 0.50 | 0.31   | 0.57 |
| Debt-to-equity ratio  | Total debt / Total stockholders' equity  | 0.13 | 0.14   | 0.15 |
| Asset-to-equity ratio | Total assets / Total stockholders' equity  | 1.13 | 1.14   | 1.15 |
| Return on equity      | Net income after tax/ Average total stockholders' equity   | 0.00 | 0.00   | 0.03 |
| Return on assets      | Net income after tax / Average total assets  | 0.00 | 0.00   | 0.03 |
| Net profit margin     | Net income after tax / Total revenue   | 0.00 | (0.01) | 0.07 |

**Anvaya Cove Beach and Nature Club, Inc.**  
Supplementary Schedule for External Auditor Fee-Related Information  
December 31, 2024 and 2023

|   | <b>2024</b>    | <b>2023</b>    |
|---|----------------|----------------|
| <b>Total audit fees (excluding OPE)</b> | 377,895        | 377,895        |
| Non-audit services fees:                |                |                |
| Other assurance services                | -              | -              |
| Tax services                            | -              | -              |
| All other services                      | -              | -              |
| <b>Total non-audit fees</b>             | -              | -              |
| <b>Total audit and non-audit fees</b>   | <b>377,895</b> | <b>377,895</b> |

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**From** eafs@bir.gov.ph <eafs@bir.gov.ph>

**Date** Tue 15/04/2025 8:02 PM

**To** ACBNC Hizola, Carol <carol.hizola@anvayacove.com>

**Cc** ACBNC Hizola, Carol <carol.hizola@anvayacove.com>

Hi ANVAYA COVE BEACH AND NATURE CLUB INC,

**Valid files**

- EAFS005862442OTHTY122024.pdf
- EAFS005862442RPPTY122024.pdf
- EAFS005862442ITRTY122024.pdf
- EAFS005862442TCRTY122024-03.pdf
- EAFS005862442AFSTY122024.pdf
- EAFS005862442TCRTY122024-02.pdf
- EAFS005862442TCRTY122024-01.pdf

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- <None>

Transaction Code: **AFS-0-MZQM1PS20XW1V2WVQXMYXSZT04S4TSRY4**

Submission Date/Time: **Apr 15, 2025 08:01 PM**

Company TIN: **005-862-442**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Anvaya Cove Beach and Nature Club Club, Inc.** (the Club) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, in accordance with the Philippine Financial Reporting Standards, 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.


The Board of Directors (BOD) is responsible for overseeing the Club's financial reporting process.

The BOD reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

Isla Lipana & Co. (PricewaterhouseCoopers), the independent auditor, appointed by the members, has audited the financial statements of the Club in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**BERNARD VINCENT O. DY**  
Chairman

  
**PAULLO LINDO A. ELAURIA**  
President

  
**DINDO R. FERNANDO**  
Treasurer



REPUBLIC OF THE PHILIPPINES)  
Makati City ) SS.

BEFORE ME, a Notary Public for and in the City of Makati, this MAR 7 2025, personally appeared the following:

**Anvaya Cove Beach & Nature Club, Inc.**  
*represented by:*

| <u>Name</u>           | <u>Passport/Driver's License No.</u> | <u>Date &amp; Place of Issue</u>         |
|-----------------------|--------------------------------------|--|
| Bernard Vincent O. Dy | Passport No. P7090535B               | July 1, 2021/DFA Manila                  |
| Paullolindo A Elauria | Driver's License N04-96-359311       | Dec. 15, 2021/Land Transportation Office |
| Dindo R. Fernando     | Passport No. P53899687B              | Aug. 7, 2020/DFA NCR                     |


who are personally known to me and identified by me through competent evidence of identity to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed and that they have the authority to sign on behalf of their respective principals.

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

Doc. No. 2;  
Page No. 2;  
Book No. LI;  
Series of 2025.

Notarial DST pursuant to Sec. 61 of the TRAIN Act (amending Sec. 188 of the NIRC) affixed on Court's copy.



  
**MARIA PAULA G. ROMERO-BAUTISTA**  
Notary Public – Makati City  
Appt. No. M-227 until December 31, 2025  
Roll of Attorneys No. 58335  
IBP No. 492224 – 01/02/2025– Makati City  
PTR No. MKT10467735MN– 01/03/2025 – Makati City  
MCLE Compliance No. VII – 0020268 - 06/02/2022  
6<sup>th</sup> Floor Makati Stock Exchange Building,  
Ayala Avenue, Makati City, Philippines

# COVER SHEET

SEC Registration Number

|   |   |   |   |   |   |   |   |   |   |   |
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## COMPANY NAME

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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| L | U | B | , |   | I | N | C | . |   | ( | A |   | N | o | t | - | f | o | r | - | p | r | o | f | i | t |   | C | o |
| r | p | o | r | a | t | i | o | n | ) |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
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## PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

|   |   |   |   |   |   |  |   |   |   |   |   |  |   |   |   |   |   |   |   |  |   |   |   |   |   |   |  |  |  |
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Department requiring the report

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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

financedept@anvayacove.com

Company's Telephone Number

7793-9000

Mobile Number

N/A

No. of Stockholders

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

Annual Meeting (Month / Day)

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

Fiscal Year (Month / Day)

03/31/2025

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

**Carol A. Hizola**  
Accounting Manager

Email Address

carol.hizola@anvayacove.com

Telephone Number/s

7793-9000

Mobile Number

0916-333-8478

## CONTACT PERSON'S ADDRESS

**Anvaya Cove Beach and Nature Club, Morong, Bataan**

**NOTE 1 :** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated. **2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

**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: March 31,2025
2. Commission Identification No. : C200502332
3. BIR Tax Identification No. : 005-862-442
4. Exact name of issuer  
as specified in its charter : **ANVAYA COVE BEACH AND NATURE CLUB, INC.**
5. Province, country or other  
jurisdiction of incorporation  
or organization : MORONG, BATAAN,PHILIPPINES
6. Industry Classification Code :  (SEC Use Only)
7. Address of issuer's principal office: ANVAYA COVE  
MORONG  
BATAAN  
2108 PHILIPPINES
8. Issuer's telephone number,  
including area code : 7793-9000 Local 3000
9. Former name, former address  
former fiscal year, if change  
since last report : NOT APPLICABLE
10. Securities registered pursuant to Sections 8 and 12 of the SRC; or Sections 4 and 8  
of the RSA

| Title of each Class | No. of shares of Common<br>Stock Outstanding |
|---------------------|--|
| Common-Class B      | 1,950  |
| Common-Class C      | 500  |
| Total               | 2,450  |



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:

N/A

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 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, and 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 [ ] No [ x ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

Class B Common Shares - Php 2,900,000.00 per share

Class C Common Shares - Php 5,000,000.00 per share

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## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

The unaudited financial statements as of March 31, 2025 and for the three-month ended March 31, 2024 and the audited balance sheet as of December 31, 2024 and the related notes to unaudited financial statements of Anvaya Cove Beach and Nature Club, Inc. (referred to as “the Club”) are filed as part of this Form 17-Q as Appendix I.

There are no other material events subsequent to the end of this interim period that had not been reflected in the unaudited financial statements filed as part of this report.

### **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

#### **Result of Operations**

##### **For the 1<sup>st</sup> Quarter 2025**

Total Club Revenues for the period ended March 31, 2025 registered at ₱74.98 million, a decrease of 6.58% compared to same period last year.

- Sale of Goods decreased by ₱6.85 million, from same period last year of ₱31.90 million to ₱25.05 million (33.41% of Total Revenue) this year.
- Service Income registered at ₱24.87 million (33.17% of Total Revenue), lower by ₱0.56 million or 2.20% compared to the prior year of ₱25.43 million.
- Membership Dues recorded at ₱22.47 million (29.96% of the Total Revenue) higher by 6.27% or ₱1.33 million compared to the same period in 2024.
- Transfer Fees amounted to ₱2.59 million (3.45% of the Total Revenue), 44.64% higher than the ₱1.79 million fees recorded in the same period of 2024.

Total Cost and Expenses increased by 0.94% or ₱0.80 million, from ₱84.58 million in the same period last year to ₱85.38 million this year.

- Cost of Sales decreased to ₱30.45 million (35.66% of the Total Cost and Expenses), ₱1.51 million or 4.72% higher compared to the same period of last year.
- Cost of Services decreased to ₱21.87 million (25.61% of the Total Cost and Expenses), ₱0.06 million or 0.27% lower than the same period of 2024.
- General and Administrative Expenses recorded an increase of 7.71% or ₱2.37 million, from ₱30.69 million of prior period to ₱33.06 million of the current year.

Other Income recorded at ₱3.65 million (4.87% of Total Revenue), lower by ₱0.082 million or 18.31% compared to same period of previous year.

- A decrease of ₱0.072 million in Interest Income, from previous year of ₱1.99 million to ₱1.27 million of current year.
- Miscellaneous Income recorded at ₱2.38 million (3.17% of the Total Revenue), lower by

4.0% compared to same period last year.

Provision for Income Tax computed at ₱0.17 million.

### **Financial Condition – March 31,2025 versus December 31, 2024**

Total Assets recorded at ₱772.34 million, higher by ₱21.78 million or 2.90% compared to December 31, 2023. The changes were attributed to the following:

- Cash ended at ₱28.11 million (3.64% of the Total Assets), decrease of about ₱2.19 million or 7.23% compared to December 31, 2024.
- Accounts and other receivables decreased to ₱26.94 million (3.49% of Total Assets) from ₱31.64 million as of December 31, 2024 due to payment on member's ledger.
- Receivables from related parties registered at ₱165.67 million (21.45% of the Total Assets), versus ₱146.56 million of December 2024, an increase of ₱19.10 million or 13.03%.
- Inventories recorded at ₱5.80 million (0.75% of Total Assets), higher by 9.20% compared to ₱5.32 million of previous year.
- Other current assets of ₱36.98 million (4.79% of the Total Assets) showed a significant increase of about ₱11.42 million or 44.69% compared to previous year.
- Property and equipment decreased by 0.82% to ₱503.86 million (65.24% of the Total Assets) on account of depreciation.
- Advances and other noncurrent assets amounted to ₱4.98 million, (0.65% of the Total Assets) ₱2.86 million or 135.28% higher compared to last year.

Total Liabilities of the Club reached to ₱116.37 million (15.07% of Total Liabilities and Member's Equity). An increase of ₱28.71 million or 32.75% compared to last year of ₱87.67 million. The changes due to the following:

- Accounts and other payables increased by ₱11.81 million, recorded at ₱58.77 million (7.61% of Total Liabilities and Member's Equity).
- Contract liabilities recorded at ₱37.32 million (4.83% of Total Liabilities and Member's Equity), higher by ₱13.22 million or 54.87% compared to ₱24.10 million of previous year.
- Payables to related parties totaled ₱4.19 million (0.54 % of the Total Liabilities and Member's Equity), higher by ₱2.92 million or 230.20% compared to last year.
- Pension liabilities at ₱14.39 million, increased by 5.58% as compared to previous period.

### **Cash Flows – Period Ended March 31,2025 vs. March 31,2024**

- Net cash generated by operating activities for the period ended March 31,2025 settled at ₱ 23.13 million.
- Net cash used in investing activities amounted to ₱25.32 million.

- At the end of March 31,2025, cash balance amounted to ₱28.11 million.

## Key Performance Indicators

| Ratio                 | Formula  | March 31,2025        | 2024                 |
|-----------------------|--|----------------------|----------------------|
| Current ratio         | Current assets / Current liabilities                     | 2.63                 | 3.32                 |
| Acid test ratio       | Quick assets / Current liabilities                       | 2.20                 | 2.90                 |
| Debt-to-equity ratio  | Total debt / Total stockholders' equity                  | 0.18                 | 0.13                 |
| Asset-to-equity ratio | Total assets / Total stockholders' equity                | 1.18                 | 1.13                 |
|                       |  | <b>March 31,2025</b> | <b>March 31,2024</b> |
| Solvency ratio        | EBITDA / Total debt                                      | 0.03                 | 0.10                 |
| Return on equity      | Net income after tax/ Average total stockholders' equity | -0.01                | 0.00                 |
| Return on assets      | Net income after tax / Average total assets              | -0.01                | 0.00                 |
| Net profit margin     | Net income after tax / Total revenue                     | -0.09                | 0.00                 |

The Club monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

Compared to 2024, a decrease in current and acid test ratio by 0.69 and 0.70, respectively.

Increase of 0.05 for both debt-to-equity and asset-to equity ratio computed at 0.18 and 1.18, respectively.

Solvency ratio slightly decreases by 0.07 as compared to same period last year.

Both return on equity and return on asset recorded at 0.01 in March 31,2025, decreased by 0.01 compared to same period last year.

Net profit margin computed at -0.09 in March 31,2025, compared to 0.00 of prior period.

## Discussion and Analysis of Material Events and Uncertainties Known to Management

We confirm that there have been no events, including events related to COVID-19 pandemic, subsequent to the period end which require adjustment of or disclosure in the financial statements that would address the past and would have impact on the future operations on 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 material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations.
6. Any significant elements of income or loss that did not arise from the Club's continuing

operations;

7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

## **Plan of Operation for the 2<sup>nd</sup> Quarter 2025**

As we embrace the vibrant summer season, Anvaya Cove Beach and Nature Club continues to be a top destination for members, families, and corporate groups. With the influx of guests during weekends and long holidays, we have seen a significant rise in teambuilding bookings and recreational activities, keeping the Club's calendar packed and energetic.

## **Upcoming Developments & Enhancements**

One of the key initiatives this quarter is the anticipated launch of our new system (RSA), scheduled to go live on June 3, 2025. This system is designed to streamline bookings, improve operational efficiency, and enhance the overall member experience.

In line with our commitment to improving dining experiences, we are also set to launch new menus at Bamboo Café and Pawikan Bar and Grill. Members and guests can look forward to fresh, curated offerings that highlight both local flavors and seasonal ingredients.

## **Sports & Recreation**

We are continuing our tennis and pickleball clinics, which have been well received by members of all ages. To build on this momentum, we are excited to announce the upcoming Pickleball Tournament — a fun and competitive addition to our summer activity lineup. This initiative is part of our broader plan to promote wellness and camaraderie among members.

## **Operations & Management Update**

The renovation timeline has been adjusted, as Ayala Land Hospitality will be assuming full management of both clubs. This transition is part of our long-term plan to elevate service standards and overall guest satisfaction.

## **Membership Value & Engagement**

In light of the upcoming adjustment to monthly dues, we are actively working on expanding member-exclusive activities and offering more complimentary amenities. Our goal is to ensure that the Club continues to deliver exceptional value and meaningful experiences for our members and their families.

## **Safety & Seasonal Advisory**

As summer is also jellyfish season, we are taking heightened precautions to ensure the safety of all beachgoers. Our lifeguard and safety teams are fully briefed and equipped, and additional signage and alerts are being deployed to keep everyone informed and safe.

We thank all our members for their continued support and look forward to an exciting and activity-filled summer season at Anvaya Cove.

## **A. Satisfaction of cash requirements and fund-raising plans**

### Operating Cash Requirement

The key sources of liquidity of the Club are the revenues generated from membership dues, guests' fees, room accommodations, sale of food and beverage, banquets, and other Club related activities. Given the current cash position of the Club, the Corporation will not need additional funding for its operations in the 2<sup>nd</sup> quarter of 2025.

**B. Product research and development**

No product research and developments are planned. Architectural design planning for the various structures and facilities of the Club substantially has been completed.

**C. Purchase or sale of plant and significant equipment**

All necessary and significant equipment of the Corporation for its full operation have been purchased.

**D. Significant changes in the number of employees**

The Club has already hired 328 employees as of March 31, 2025.

**Part II – OTHER INFORMATION**

**Item 3. 1<sup>st</sup> Quarter 2025 Developments**

|   |  |
|---|--|
| A. New project or investments in another line of business or corporation  | None.  |
| B. Composition of Board of Directors<br>(March 31, 2025)  | Bernard Vincent O. Dy<br>Paullolindo A. Elauria<br>Joseph Carmichael Z. Jugo<br>Dindo R. Fernando<br>Antonino T. Aquino<br>Jocelyn D. De Leon<br>Mercedita S. Nollado<br>Ms. Jessie D. Cabaluna<br>Jesus Emmanuel M. Yujuico<br>Paolo O. Viray<br>Rex Ma. A. Mendoza |
| C. Performance of the corporation or result/progress of operations  | Please see unaudited financial statements and management's discussion on results of operations.  |
| D. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements | None.  |

- |   |       |
|---|-------|
| E. Offering of rights, granting of Stock Options and corresponding plans therefore                                | None. |
| F. Acquisition of additional mining claims or other capital assets or, formula, real estate                       | None. |
| G. Other information, material events or happenings that may have affected or may affect market price of security | None. |
| H. Transferring of assets, except in normal course of business  | None. |

**Item 4. Other Notes to 1<sup>st</sup> Quarter 2025 Operations and Financials**

- |   |   |
|---|---|
| I. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents   | Please see Notes to Unaudited Financial Statements. |
| J. Nature and amount of changes in estimates of amounts reported prior periods and their material effect in the current period  | None.   |
| K. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities   | None.   |
| L. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period  | None.   |
| M. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations | None.   |
| N. Changes in contingent liabilities or contingent assets since the last annual balance sheet date  | None.   |
| O. Other material events or transactions during the interim period  | None.   |
| P. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that material to the company, including any default or acceleration of a obligation            | None.   |
| Q. Material off-balance sheet transactions, arrangements, obligation (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period   | None.   |
| R. Material commitments for capital expenditures, general purpose and expected sources of funds   | None.   |
| S. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/ income   | COVID-19 pandemic                                   |



from continuing operations

- |   |   |
|---|---|
| T. Significant elements of income or loss that did not arise from continuing operations                         | None.   |
| U. Causes for any material change/s from period to period in one or more-line items of the financial statements | Please see Notes to Unaudited Financial Statements. |
| V. Seasonal aspects that had material effect on the financial condition or results of operations                | COVID-19 pandemic                                   |

### **Reciprocity Agreement**

Currently, all members of the Beach and Nature Club are welcome to use the facilities of the Golf and Sports Club after its Grand Opening on December 7, 2013.

The facilities include a fantastic golf course, a main club house with restaurants, function and meeting rooms, golf pro-shop, and shower areas, a sports complex with coffee shop, swimming pools, fitness gym, badminton court, basketball court, and game lounge.

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **ANVAYA COVE BEACH AND NATURE CLUB, INC.**

Signature and Title :  **Bernard Vincent O. Dy**  
Chairman of the Board

Date: : May 9, 2025 

Signature and Title :  **Dindo R. Fernando**  
Treasurer

Date : May 9, 2025

## Appendix I

Unaudited Financial Statements  
March 31, 2025 and March 31, 2024  
and Audited Year Ended December 31, 2024

**Anvaya Cove Beach and Nature Club, Inc.**  
**Statements of Financial Position**  
As at March 31, 2025 and December 31, 2024  
(All amounts in Philippine Peso)

|   | <b>Notes</b> | <b>March 31, 2025</b> | <b>2024</b>        |
|---|--------------|-----------------------|--------------------|
| <b>Assets</b>   |              |                       |                    |
| <b>Current assets</b>                                 |              |                       |                    |
| Cash  | 2            | 28,105,951            | 30,296,337         |
| Financial assets at fair value through profit or loss | 3            | –                     | 1,042,089          |
| Accounts and other receivables                        | 4            | 26,944,424            | 31,642,267         |
| Receivables from related parties                      | 15           | 165,666,726           | 146,563,874        |
| Inventories   | 5            | 5,804,780             | 5,315,753          |
| Other current assets                                  | 6            | 36,983,527            | 25,561,358         |
| <b>Total current assets</b>                           |              | <b>263,505,408</b>    | <b>240,421,678</b> |
| <b>Non-current assets</b>                             |              |                       |                    |
| Property and equipment - net                          | 7            | 503,856,455           | 508,020,332        |
| Advances and other noncurrent assets                  | 6            | 4,981,793             | 2,117,345          |
| <b>Total noncurrent assets</b>                        |              | <b>508,838,249</b>    | <b>510,137,677</b> |
| <b>Total assets</b>                                   |              | <b>772,343,657</b>    | <b>750,559,355</b> |
| <b>Liabilities and equity</b>                         |              |                       |                    |
| <b>Current liabilities</b>                            |              |                       |                    |
| Accounts and other payables                           | 8            | 58,765,908            | 46,960,308         |
| Contract liabilities                                  | 10           | 37,319,002            | 24,097,544         |
| Payables to related parties                           | 15           | 4,189,700             | 1,268,851          |
| <b>Total current liabilities</b>                      |              | <b>100,274,610</b>    | <b>72,326,703</b>  |
| <b>Noncurrent liabilities</b>                         |              |                       |                    |
| Pension liability                                     | 13           | 14,393,179            | 13,632,069         |
| Deferred tax liability                                | 13,14        | 1,706,953             | 1,706,953          |
| <b>Total noncurrent liabilities</b>                   |              | <b>16,100,132</b>     | <b>15,339,022</b>  |
| <b>Total liabilities</b>                              |              | <b>116,374,742</b>    | <b>87,665,725</b>  |
| <b>Equity</b>   |              |                       |                    |
| Paid-in capital                                       | 9            | 359,966,055           | 359,966,055        |
| Additional paid-in capital                            | 9            | 550,000,000           | 550,000,000        |
| Cumulative remeasurement gain on pension liability    | 13           | 5,120,857             | 5,120,857          |
| Deficit   | 9            | (259,117,997)         | (252,193,281)      |
| <b>Total equity</b>                                   |              | <b>655,968,915</b>    | <b>662,893,631</b> |
| <b>Total liabilities and equity</b>                   |              | <b>772,343,657</b>    | <b>750,559,355</b> |

**Anvaya Cove Beach and Nature Club, Inc.**  
**Statements of Comprehensive Income**  
For the period ended March 31, 2025 and March 31, 2024  
(All amounts in Philippine Peso)

|   | <b>Notes</b> | <b>March 31, 2025</b> | <b>March 31, 2024</b> |
|---|--------------|-----------------------|-----------------------|
| <b>Revenue</b>  | 10           |                       |                       |
| Sale of goods   |              | 25,051,593            | 31,898,941            |
| Service income  |              | 24,872,397            | 25,431,792            |
| Membership dues                                       |              | 22,466,144            | 21,140,857            |
| Transfer fees   |              | 2,589,286             | 1,790,179             |
|   |              | 74,979,419            | 80,261,769            |
| <b>Costs and expenses</b>                             | 12           |                       |                       |
| Cost of sales   |              | 30,448,398            | 31,956,961            |
| Cost of services                                      |              | 21,868,670            | 21,928,481            |
| General and administrative expenses                   |              | 33,064,998            | 30,698,029            |
|   |              | 85,382,066            | 84,583,472            |
| <b>Other income</b>                                   |              |                       |                       |
| Interest income                                       | 2,4,15,17    | 1,274,774             | 1,994,130             |
| Miscellaneous income                                  | 11           | 2,377,368             | 2,476,376             |
|   |              | 3,652,142             | 4,470,505             |
| <b>Income (loss) before income tax</b>                |              | (6,750,505)           | 148,802               |
| Provision for income tax                              | 14           | 174,211               | 292,967               |
| <b>Net income (loss) for the year</b>                 |              | (6,924,716)           | (144,165)             |
| <b>Other comprehensive income (loss)</b>              |              |                       |                       |
| Item that will not be reclassified to profit or loss: |              |                       |                       |
| Remeasurement gain (loss) on pension liability        |              |                       |                       |
| - net of tax  |              | -                     | -                     |
| <b>Total comprehensive (loss) income</b>              |              | (6,924,716)           | (144,165)             |
| <b>Basic and diluted earnings per share</b>           | 9            | (1,018.34)            | (21.20)               |

**Anvaya Cove Beach and Nature Club, Inc.**  
**Statements of Changes in Equity**  
For the period ended March 31, 2025 and March 31, 2024  
(All amounts in Philippine Peso)

|                                     | <b>Paid-in<br/>capital<br/>(Note 9)</b> | <b>Additional<br/>paid-in<br/>capital<br/>(Note 9)</b> | <b>Deficit<br/>(Note 9)</b> | <b>Reserve for<br/>remeasurement<br/>on retirement<br/>liability, net of<br/>tax (Note 13)</b> | <b>Total equity</b> |
|-------------------------------------|---|--|-----------------------------|--|---------------------|
| <b>Balance at December 31, 2023</b> | <b>359,966,055</b>                      | <b>550,000,000</b>                                     | <b>(253,093,395)</b>        | <b>4,272,646</b>   | <b>661,145,306</b>  |
| Comprehensive income                |   |  |                             |  |                     |
| Net income for the year             | -                                       | -  | (144,165)                   | -  | (144,165)           |
| Other comprehensive income          | -                                       | -  | -                           | -  | -                   |
| Total comprehensive income          | -                                       | -  | (144,165)                   | -  | (144,165)           |
| <b>Balance at March 31, 2024</b>    | <b>359,966,055</b>                      | <b>550,000,000</b>                                     | <b>(253,237,560)</b>        | <b>4,272,646</b>   | <b>661,001,140</b>  |
| <b>Balance at December 31, 2024</b> | <b>359,966,055</b>                      | <b>550,000,000</b>                                     | <b>(252,193,281)</b>        | <b>5,120,857</b>   | <b>662,893,631</b>  |
| Comprehensive income                |   |  |                             |  |                     |
| Net income for the year             | -                                       | -  | (6,924,716)                 | -  | (6,924,716)         |
| Other comprehensive income          | -                                       | -  | -                           | -  | -                   |
| Total comprehensive income          | -                                       | -  | (6,924,716)                 | -  | (6,924,716)         |
| <b>Balance at March 31, 2025</b>    | <b>359,966,055</b>                      | <b>550,000,000</b>                                     | <b>(259,117,997)</b>        | <b>5,120,857</b>   | <b>655,968,915</b>  |

**Anvaya Cove Beach and Nature Club, Inc.**  
**Statements of Cash Flows**  
For the period ended March 31, 2025 and March 31, 2024  
(All amounts in Philippine Peso)

|   | Note      | March 31,2025 | March 31,2024 |
|---|-----------|---------------|---------------|
| <b>Operating activities</b>                     |           |               |               |
| Income (loss) before income tax                 |           | (6,750,505)   | 148,802       |
| Adjustments for:                                |           |               |               |
| Depreciation                                    | 7,12      | 10,569,988    | 10,369,091    |
| Interest income                                 | 2,4,15,17 | (1,274,774)   | (1,994,130)   |
| Net movement in pension liability               | 13        | 761,110       | 556,482       |
| Gain on disposal of property and equipment      | 7,11      | (44,948)      | -             |
| Unrealized gain on financial assets at FVPL     | 3,11      | -             | (3,527)       |
| Financial assets at FVPL                        | 3         | -             | -             |
| Operating income before working capital changes |           | 3,260,871     | 9,076,719     |
| Decrease (increase) in:                         |           |               |               |
| Accounts and other receivables                  |           | 4,697,843     | (2,198,784)   |
| Receivables from related parties                |           | 1,857,507     | (1,010,476)   |
| Inventories                                     |           | (489,027)     | (436,367)     |
| Other current assets                            |           | (11,422,168)  | (8,610,032)   |
| Advances and other noncurrent assets            |           | (2,864,449)   | (941,296)     |
| Increase (decrease) in:                         |           |               |               |
| Accounts and other payables                     |           | 11,805,600    | 6,789,893     |
| Contract liabilities                            |           | 13,221,458    | 17,176,348    |
| Payables to related parties                     |           | 2,920,849     | 6,690,248     |
| Net cash generated by operations                |           | 22,988,483    | 26,536,252    |
| Interest received                               |           | 314,416       | 162,218       |
| Income tax paid                                 |           | (174,211)     | (292,967)     |
| Net cash flows from operating activities        |           | 23,128,689    | 26,405,502    |
| <b>Investing activities</b>                     |           |               |               |
| Additions to:                                   |           |               |               |
| Property and equipment                          | 7         | (6,406,112)   | (4,248,931)   |
| Financial assets at FVPL                        | 3         | (5,153)       | (34,146)      |
| Proceeds from disposal of:                      |           |               |               |
| Financial assets at FVPL                        | 3         | 1,047,242     | 4,393,523     |
| Property and equipment                          | 7,11      | 44,948        | -             |
| Loans to related parties                        | 15        | (481,000,000) | (400,500,000) |
| Collection of loan to related parties           | 15        | 461,000,000   | 388,500,000   |
| Net cash flows used in investing activities     |           | (25,319,075)  | (11,889,554)  |
| <b>Net increase (decrease) in cash</b>          |           | (2,190,386)   | (14,515,948)  |
| At January 1                                    |           | 30,296,337    | 15,952,167    |
| At December 31                                  | 2         | 28,105,951    | 30,468,115    |

**Anvaya Cove Beach and Nature Club, Inc.**

Notes to the Financial Statements

As at and for the period ended March 31, 2025 and 2024

(All amounts are shown in Philippine Peso unless otherwise stated)

**1 General information***(a) Corporate information*

Anvaya Cove Beach and Nature Club, Inc. (the Club) was incorporated in the Republic of the Philippines and was registered with the Philippine Securities and Exchange Commission (SEC) on March 28, 2005.

The Club was organized primarily to maintain, operate, manage, and carry on the business and operation of a beach and nature club and its facilities, for the amusement, entertainment, recreational and athletic activities of its members on a not-for-profit basis.

The Club is a public interest entity, and is 72.29% owned by Ayala Land, Inc. (ALI). The Company is considered a subsidiary of ALI. ALI's parent company is Ayala Corporation (AC or the "Ultimate Parent Company"), a publicly-listed company which is 47.57%-owned by Mermac, Inc. and the rest by the public. Both ALI and AC are publicly-listed companies and were incorporated in the Republic of the Philippines.

Prior to 2012, 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) has 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 value-added tax (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 January 1, 2020, the Club no longer collect output VAT on membership fees and fees of similar nature.

The Club's registered address and principal place of business is Anvaya Cove, Morong, Bataan.

*(b) Status of Operations*

The Club has a deficit amounting to ₱259,117,997 (2024 - ₱252,193,281) as at March 31, 2025.

Management has assessed that the Club is still able to maintain sufficient liquidity through the collection of membership dues and revenue from sale of goods and services, as well as the support from its Parent Company, to enable the Club to continue as a going concern at least for the next 12 months from the date of these financial statements.

**2 Cash**

This account consists of:

|               | Note | March 31, 2025 | 2024       |
|---------------|------|----------------|------------|
| Cash on hand  |      | 148,443        | 59,993     |
| Cash in banks | 15   | 27,957,508     | 30,236,344 |
|               |      | 28,105,951     | 30,296,337 |



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

In March 31, 2025, interest income earned on cash in banks amounted to ₱6,492 (2023 - ₱25,593) gross of final tax.

### 3 Financial assets at fair value through profit or loss

Details of the account are as follows:

|                 | Note | March 31, 2025 | 2024        |
|-----------------|------|----------------|-------------|
| At January 1    |      | 1,042,089      | 5,359,377   |
| Redemptions     | 11   | (1,047,242)    | (4,393,523) |
| Unrealized gain | 11   | –              | 42,089      |
| Realized gain   | 11   | 5,153          | 34,146      |
| At December 31  |      | –              | 1,042,089   |

Financial assets at FVPL pertains to investments in the Bank of the Philippine Islands Money Market Fund (the Fund). The Fund, which is structured as a money market UITF, aims to generate liquidity and stable income by being invested in a diversified portfolio of primarily short-term fixed income instruments. It has no minimum holding period. As at December 31, 2024, the Club has 3,564 units with total Net asset Value of P1,042,089 (2023 - P5,359,377).

The fair value of the Club's investment is determined by using the net asset value per unit, which is considered the market value per unit of an investment fund. The fair value measurement of the financial assets at FVPL is categorized under Level 1.

### 4 Accounts and other receivables

This account consists of:

|                             | March 31, 2025 | 2024         |
|-----------------------------|----------------|--------------|
| Trade receivables - gross   | 35,838,883     | 41,125,413   |
| Allowance for credit losses | (12,393,644)   | (12,393,644) |
|                             | 23,445,239     | 28,731,769   |
| Receivable from employees   | 540,331        | 513,093      |
| Other receivables           | 2,958,854      | 2,397,405    |
|                             | 26,944,424     | 31,642,267   |

Trade receivables pertain to unpaid membership dues, sale of food, beverages and merchandise from souvenir shop, charges for room accommodations and rental of water sports equipment. These are non-interest bearing and are due and demandable. The receivables from members are collateralized by a preferential lien on the Club shares owned by the said members. Provision for ECL amounted to nil for the period ended March 31, 2025 and December 31, 2024.

Receivable from employees is salary loans granted to the Club's employees. These are collected through salary deduction. Interest income earned from loans to employees amounted to ₱16,156 in March 31, 2025 (2024 - ₱143,75).

Other receivables include nontrade receivables such as receivables from the Club's service providers, which are non-interest bearing and are to be settled within one year.

*Critical accounting estimate - Estimating allowance for ECLs 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.

## 5 Inventories

This account consists of:

|                   | March 31, 2025 | 2024      |
|-------------------|----------------|-----------|
| At cost:          |                |           |
| Food and beverage | 5,065,110      | 4,566,046 |
| Merchandise       | 739,670        | 749,707   |
|                   | 5,804,780      | 5,315,753 |

Food and beverage consist of goods in the form of ingredients and supplies consumed in the production of food and beverages sold at the Club's cafes and bars.

Merchandise pertains to items for sale at the Club's shop.

## 6 Other assets

This account consists of:

|   | March 31, 2025 | 2024       |
|---|----------------|------------|
| Creditable withholding taxes            | 15,491,524     | 15,294,974 |
| Prepaid Expenses                        | 10,618,887     | 2,541,100  |
| Supplies                                | 6,777,081      | 6,473,754  |
| VAT Input                               | 2,515,797      | –          |
| Deferred input VAT                      | 490,072        | 224,375    |
|   | 35,893,361     | 24,534,203 |
| Advances to suppliers                   | 6,760,241      | 3,832,782  |
| Less: Allowance for impairment          | (688,282)      | (688,282)  |
|   | 6,071,959      | 3,144,500  |
|   | 41,965,320     | 27,678,703 |
| Less: Non-current portion               |                |            |
| Deferred input VAT                      | 181,245        | 224,375    |
| Advances to suppliers, net              | 4,800,245      | 1,892,970  |
|   | 4,981,793      | 2,117,345  |
| Current portion of other current assets | 36,983,527     | 25,561,358 |

Creditable withholding taxes are available for application against income tax payable in future periods. Supplies include medical supplies, general storeroom, clearing inventories and chinaware and crockery.

Prepaid expenses mainly include prepayments for maintenance dues, taxes and licenses, and insurance which will be amortized for three to 12 months at the end of the financial reporting period.

Advances to suppliers are advances made by the Club to vendors and applied against invoices from the vendor upon delivery of goods and payments intended for purchase of supplies and payment for services to be rendered.

Deferred input VAT pertains to purchases for which the invoice is not yet paid and those arising from purchases of capital goods before December 31, 2021 in which the aggregate amount exceeds P1,000,000.

## 7 Property and equipment - net

Details of the account are as follows:

|                                 | Land and Land<br>Improvements | Building and<br>Improvements | Furniture,<br>Fixtures and<br>Equipment | Project in<br>Progress | Total         |
|---------------------------------|-------------------------------|------------------------------|---|------------------------|---------------|
| <b>Cost</b>                     |                               |                              |   |                        |               |
| At January 1, 2024              | 224,273,383                   | 631,300,519                  | 325,886,271                             | 2,923,631              | 1,184,383,804 |
| Additions                       | -                             | 2,861,784                    | 21,047,409                              | 5,760,098              | 29,669,2291   |
| Disposal                        | -                             | -                            | (4,717,321)                             | -                      | (4,717,321))  |
| At December 31, 2024            | 224,273,383                   | 634,162,303                  | 342,216,359                             | 8,683,729              | 1,209,335,774 |
| Additions                       | -                             | -                            | 4,692,150                               | 1,971,693              | 6,663,843     |
| Disposal                        | -                             | -                            | (310,714)                               | -                      | (310,714)     |
| At March 31, 2025               | 224,273,383                   | 634,162,303                  | 346,597,795                             | 10,655,421             | 1,215,688,902 |
| <b>Accumulated depreciation</b> |                               |                              |   |                        |               |
| At January 1, 2024              | 132,464,304                   | 247,861,986                  | 283,737,012                             | -                      | 664,063,302   |
| Depreciation                    | 8,954,935                     | 18,892,447                   | 14,122,080                              | -                      | 41,969,462    |
| Disposal                        | -                             | -                            | (4,717,321)                             | -                      | (4,717,321)   |
| At December 31, 2023            | 141,419,239                   | 266,754,433                  | 293,141,771                             | -                      | 701,315,443   |
| Depreciation                    | 2,238,734                     | 4,735,305                    | 3,595,950                               | -                      | 10,569,988    |
| Disposal                        | -                             | -                            | (52,984)                                | -                      | (52,984)      |
| At March 31, 2025               | 143,657,973                   | 271,489,737                  | 296,684,737                             | -                      | 711,832,447   |
| <b>Net book value</b>           |                               |                              |   |                        |               |
| December 31, 2023               | 91,809,079                    | 383,438,534                  | 42,149,259                              | 2,923,631              | 520,320,503   |
| March 31, 2025                  | 80,615,410                    | 362,672,566                  | 49,913,058                              | 10,655,421             | 503,856,455   |

The project in progress pertains to the renovation of the Club's kitchen and cafeteria.

The following table sets forth the allocation of depreciation expense (Note 12):

|                                     | March 31,2025 | March 31,2024 |
|-------------------------------------|---------------|---------------|
| Cost of services                    | 4,297,613     | 4,646,036     |
| Cost of sales                       | 4,216,356     | 3,937,735     |
| General and administrative expenses | 2,056,020     | 1,785,320     |
|                                     | 10,569,988    | 10,369,091    |

The total cost of fully depreciated property and equipment that are still in use as at March 31, 2025 amounted to ₱255,716,636 (2024 - ₱256,027,350).

The Club disposed various property and equipment items with an aggregate cost amounting to ₱310,714 in March 31,2025 (2024 - ₱4,717,321), with no carrying value. The proceeds from these disposals amounting to ₱44,948 (2024 - ₱659,821) resulted in gains amounting to ₱44,948 in March 31,2025 (2024 - P659,821), presented under other income (Note 11).

#### *Critical accounting estimate - 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 COVID-19 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.

## 8 Accounts and other payables

Details of the account are as follows:

|   | March 31, 2025 | 2024       |
|---|----------------|------------|
| Trade payables                          | 14,224,589     | 15,693,303 |
| Accrued expenses:                       |                |            |
| Payroll                                 | 11,236,778     | 6,665,376  |
| Management fee                          | 3,274,118      | 3,000,479  |
| Utilities                               | 8,467,725      | 2,615,907  |
| Professional fees                       | 2,183,068      | 2,550,963  |
| Contract services                       | 2,228,425      | 1,638,623  |
| Repairs and maintenance                 | 108,147        | 108,147    |
| Others                                  | 883,770        | 86,168     |
| Funds held for environmental activities | 8,114,706      | 7,779,341  |
| Taxes payable                           | 4,741,422      | 3,034,694  |
| Vouchers payable                        | 1,691,229      | 845,658    |
| Service charge payable                  | 766,390        | 1,359,880  |
| Due to employees                        | 23,559         | 362,704    |
| Other payables                          | 821,981        | 1,219,065  |
|   | 58,765,908     | 46,960,308 |

Trade payables represent operational costs incurred and amount due to suppliers for purchases of goods and services. These are non-interest bearing and are normally settled on 30-day credit terms.

Accrued expenses consist mainly of accruals for salaries and wages, and utilities which are non-interest bearing and are normally settled within 30 to 60 days.

Funds held for environmental activities pertain to restricted collections from members set aside for the environmental activities of the Club. These are utilized upon commencement of actual environmental activities.

Taxes payable represents withholding taxes from salaries and wages, expanded withholding taxes from purchases with suppliers and VAT payable. These are non-interest bearing and are normally settled within one year.

Service charge payable pertains to service charges due to employees on top of their regular salaries. These are non-interest bearing and are due to be settled within one year.

Vouchers payable pertains to net proceeds from auction of shares that will be used for paying incidental expenses related to transfer of shares' ownership.

Due to employees pertains to collections from members set aside for the employee welfare fund to be used for employees' trainings, seminars and events.

Other payables include reversal of liabilities due to stale checks and liabilities to government agencies, which are non-interest bearing and are normally settled within one year.

## 9 Equity

The details of the number of authorized and issued shares of the Club as at March 31, 2025 and December 31, 2024 follow:

|         | Stated value | Authorized | Issued | Amount    | Additional paid-in capital |
|---------|--------------|------------|--------|-----------|----------------------------|
| Class A | 1,000        | 3,468      | 3,468  | 3,468,000 | -                          |
| Class B | 1,000        | 1,950      | 1,950  | 1,950,000 | 437,755,102                |
| Class C | 1,000        | 500        | 500    | 500,000   | 112,244,898                |

|         |         |       |       |             |             |
|---------|---------|-------|-------|-------------|-------------|
| Class D | 401,415 | 702   | 702   | 281,793,330 | -           |
| Class E | 401,415 | 180   | 180   | 72,254,725  | -           |
|         |         | 6,800 | 6,800 | 359,966,055 | 550,000,000 |

The details of the Club's registered capital stock with the SEC as at March 31, 2025 and December 31, 2025 follow:

|         | Number of shares<br>registered | Issue price | Date of approval |
|---------|--------------------------------|-------------|------------------|
| Class B | 1,950                          | 1,000       | June 23, 2005    |
| Class C | 500                            | 1,000       | June 23, 2005    |

As at March 31, 2024, the total number of shareholders are 1,628 (2024 -1,628).

#### *Class A shares*

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 ascribed to Founders' shares. Founder's 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 or transferring founder's share to third persons; (c) usage right without the need for activation fee; and (d) application and qualification of its nominee for membership to the Club.

#### *Class B shares*

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 pre-emptive rights to subscribe to any or all original issues of Class A shares, Class D shares, and Class E shares of the Club.

#### *Class C shares*

Each Class C share shall be entitled to two usage rights which shall be exercised by its nominees in the manner set forth in the by-laws of the Club.

Holders of Class C shares shall not enjoy pre-emptive rights to subscribe to any or all original issues of Class A shares, Class B shares, and Class D shares of the Club.

#### *Class D shares*

Each Class D share 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.

#### *Class E shares*

Each Class E share shall be entitled to two usage rights which shall be exercised by its nominees in the manner set forth in the by-laws of the Club.

In view of the issuance of Founders' shares, the voting rights pertaining to the Class B, C, D and E 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. On the fifth anniversary of the date of incorporation of the Club, the voting rights of all Class B, C, D and E shares shall be automatically reinstated and shall be equal in all respects to those of the holders of all the other classes of shares. The voting rights of Classes B and C were reinstated on June 2, 2010, following the expiration of the five-year voting right exclusivity given to Class A shares.

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.

## Capital Management

The primary objectives of the Club's capital management policies are to afford the financial flexibility to support its business initiatives and to maximize stakeholder value. The Club manages its capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes for the period ended March 31, 2025 and December 31, 2024. The Club considers equity, excluding remeasurement gain on pension liability, as its capital as follows:

|                            | March 31, 2025 | 2024          |
|----------------------------|----------------|---------------|
| Paid-in capital            | 359,966,055    | 359,966,055   |
| Additional paid-in capital | 550,000,000    | 550,000,000   |
| Deficit                    | (259,117,997)  | (252,193,281) |
|                            | 650,848,058    | 657,772,774   |

The Club is not subjected to any externally imposed capital requirements.

## Basic and diluted Earnings (Loss) per share

|  | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| Excess (deficiency) of receipts over expenses after income tax | (6,924,716)    | (144,165)      |
| Number of shares (excluding shares of delinquent members)      | 6,800          | 6,800          |
| Basic and diluted earnings (loss) per share                    | (1,018.34)     | (21.20)        |

## 10 Revenue

### Disaggregated revenue information

The table shows the disaggregation of revenues of the Club by major sources.

|                               | March 31, 2025 | March 31, 2024 |
|-------------------------------|----------------|----------------|
| Sale of goods                 |                |                |
| Food and beverages            | 24,588,526     | 31,340,849     |
| Merchandise                   | 463,066        | 558,092        |
| Service income                |                |                |
| Room accommodation            | 17,297,085     | 16,782,635     |
| Guest fees                    | 3,701,829      | 4,503,486      |
| Spa and massage revenue       | 2,456,272      | 2,089,688      |
| Use of water sports equipment | 1,417,210      | 2,055,983      |
| Membership dues               | 22,466,144     | 21,140,857     |
| Transfer fees                 | 2,589,286      | 1,790,179      |
|                               | 74,979,419     | 80,261,769     |

### Timing of revenue recognition

The Club has recognized revenues recognized over time amounting to ₱47,338,540 (2024 - ₱46,572,649) for the period ended March 31, 2025.

Revenues recognized from sale of goods and transfer fees earned at a point in time amounted to ₱27,640,878 (2024- ₱33,869,119) for the period ended March 31, 2025.

### Contract balances

As at March 31, contract balances are as follows:

|                   | Note | March 31, 2025 | 2024       |
|-------------------|------|----------------|------------|
| Trade receivables | 4    | 23,445,239     | 28,731,769 |

|                      |            |            |
|----------------------|------------|------------|
| Contract liabilities | 37,319,002 | 24,097,544 |
|----------------------|------------|------------|

The Club identified unearned membership dues as contract liabilities as at March 31, 2025 and December 31, 2024. These represent payments received in advance from members who usually settle their dues annually.

Contract liabilities also include advances received for membership dues, consumables and booked functions and events.

The movements in the contract liabilities are as follows:

|                              | March 31, 2025 | 2024          |
|------------------------------|----------------|---------------|
| Balance at beginning of year | 24,097,544     | 21,997,620    |
| Additions                    | 33,796,459     | 120,472,465   |
| Recognized as revenue        | (20,575,001)   | (118,372,541) |
| Balance at end of year       | 37,319,002     | 24,097,544    |

Other income includes laundry, transportation and room cleaning.

*Critical accounting judgement - 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.

*Critical accounting judgement - 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 and the Club's promise to transfer the good or service to the customer is separately identifiable from the other promises in the contract.

*Critical accounting judgement - Determining whether the Club is acting as a principal or agent*

The Club assesses its revenue arrangements against specific criteria 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.

## 11 Miscellaneous income

Miscellaneous income consists of:

|   | Notes | March 31, 2025 | March 31, 2024 |
|---|-------|----------------|----------------|
| Consultancy fees                            | 15    | 1,200,000      | 1,200,000      |
| Surcharge revenue                           |       | 301,509        | 320,826        |
| Gain on disposal of property and equipment  | 7     | 44,948         | –              |
| Unrealized gain on financial assets at FVPL | 3     | –              | 3,527          |
| Realized gain on financial assets at FVPL   | 3     | 5,153          | 34,146         |
| Others                                      |       | 825,758        | 917,877        |
|   |       | 2,377,368      | 2,476,376      |

Surcharge revenue arises from charges imposed to members with outstanding balance for more than 30 days.

Others include corkage fees, sale of scrap items and gain on sale of furniture and fixtures equipment.

## 12 Costs and expenses

Cost of sales consists of:

|                                       | Notes | March 31,2025 | March 31,2024 |
|---------------------------------------|-------|---------------|---------------|
| Salaries, wages and employee benefits |       | 11,015,364    | 11,109,320    |
| Food and beverage                     | 5     | 9,525,982     | 10,692,733    |
| Depreciation                          | 7     | 4,216,356     | 3,937,735     |
| Heat, light and water                 |       | 2,439,116     | 2,684,862     |
| Cleaning and other supplies           |       | 1,189,131     | 1,244,034     |
| Merchandise                           | 5     | 149,084       | 159,776       |
| Transportation                        |       | 131,901       | 161,164       |
| Communication                         |       | 129,745       | 138,287       |
| Equipment rental                      |       | 124,980       | 38,304        |
| Office supplies                       |       | 40,325        | 61,055        |
| Others                                |       | 1,486,415     | 1,729,693     |
|                                       |       | 30,448,398    | 31,956,961    |

Others include costs incurred for the Club's hygiene supplies and medical expenses.

Cost of services consists of:

|                                       | Notes | March 31,2025 | March 31,2024 |
|---------------------------------------|-------|---------------|---------------|
| Salaries, wages and employee benefits |       | 7,878,003     | 7,333,574     |
| Depreciation                          | 7     | 4,297,613     | 4,646,036     |
| Heat, light and water                 |       | 1,563,362     | 2,156,888     |
| Contract services                     |       | 1,257,834     | 1,154,192     |
| Cleaning and other supplies           |       | 942,197       | 983,373       |
| Repairs and maintenance               |       | 717,183       | 664,461       |
| Communications                        |       | 632,909       | 624,736       |
| Laundry                               |       | 452,953       | 521,141       |
| Recreational services                 |       | 429,946       | 398,026       |
| Food and beverage                     | 5     | 361,200       | 371,230       |
| Transportation                        |       | 147,605       | 186,352       |
| Office supplies                       |       | 98,359        | 76,616        |
| Representation                        |       | 50,207        | 37,478        |
| Others                                |       | 3,639,858     | 2,774,378     |
|                                       |       | 21,868,670    | 21,928,481    |

Other cost of sales includes expenses incurred in food and beverage operations such as hygiene supply kits, training and development, meals and anniversary costs incurred during the year.

General and administrative expenses consist of:

|                                       | Note | March 31,2025 | March 31,2024 |
|---------------------------------------|------|---------------|---------------|
| Salaries, wages and employee benefits |      | 8,886,959     | 7,367,294     |
| Heat, light and water                 |      | 5,041,590     | 4,857,029     |
| Corporate expense                     |      | 2,276,070     | 3,741,177     |
| Security                              |      | 2,480,746     | 2,445,882     |
| Repairs and maintenance               |      | 2,388,619     | 1,635,285     |



|                             |   |            |            |
|-----------------------------|---|------------|------------|
| Depreciation                | 7 | 2,056,020  | 1,785,320  |
| Taxes and licenses          |   | 1,799,763  | 1,596,897  |
| Collection charges          |   | 1,719,037  | 1,521,719  |
| Management fees             |   | 1,227,878  | 1,422,975  |
| Insurance                   |   | 1,148,687  | 750,900    |
| Contract services           |   | 1,082,117  | 1,197,714  |
| Transportation              |   | 513,762    | 656,656    |
| Office Supplies             |   | 231,051    | 113,093    |
| Professional fees           |   | 218,914    | 283,417    |
| Communication               |   | 192,355    | 198,555    |
| Cleaning and other supplies |   | 40,591     | 108,323    |
| Representation              |   | 15,793     | 15,143     |
| Others                      |   | 1,760,839  | 1,000,652  |
|                             |   | 33,064,998 | 30,698,029 |

Others include costs incurred for the Club's stipend, training and development expenses, employee relations and activities.

### 13 Pension cost

The Club engaged an independent actuary to calculate the amount of retirement benefits obligation based on the provisions of PAS 19, Employee Benefits. The Club's liability for retirement benefits is based solely on the requirements under Republic Act (RA) No. 7641, otherwise known as The Philippine Retirement Pay Law of the Philippines, as the Club does not have a formal retirement plan. The latest valuation report of the retirement plan was made as at December 31, 2024.

### 14 Income tax

Provision for current income tax pertaining to MCIT follows:

|         | March 31,2025 | March 31,2024 |
|---------|---------------|---------------|
| Current | 172,912       | 291,589       |
| Final   | 1,298         | 1,379         |
|         | 174,211       | 292,967       |

Deferred tax assets are recognized only to the extent that taxable profits will be available against which the deferred tax assets can be used or when there are sufficient taxable temporary differences which are expected to reverse in the same period as the expected reversal of the deductible temporary differences. The Club assesses the unrecognized deferred tax assets and will recognize a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profits will allow all or part of the deferred tax assets to be recovered.

#### *Critical accounting estimate - Recognizing deferred tax assets*

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. These assets are periodically reviewed for realization. Periodic reviews cover the nature and amount of all deductible temporary differences, expected timing when assets will be used or liabilities will be required to be reported, reliability of historical profitability of businesses expected to provide future earnings and tax planning strategies which can be utilized to increase the likelihood that tax assets will be realized.

### 15 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are 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 that 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

The Club, in the normal course of business, entered into transactions with related parties consisting primarily of the construction of the Club's leisure and recreational facilities, and charges for the use of the Club's facilities and services. Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured, noninterest bearing and are normally settled in cash.

#### *Outstanding balances owed by related parties:*

|  | March 31,2025 |                     | December 2024     |                     | Terms and conditions  |
|--|---------------|---------------------|-------------------|---------------------|---|
|  | Amount        | Outstanding balance | Amount/<br>volume | Outstanding balance |   |
| Immediate Parent Company                           |               |                     |                   |                     |   |
| ALI (Trade) (a.i)                                  | 737,000       | 251,106             | 737,000           | 307,206             | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>            |
| ALI (Professional Fees) (a.ii)                     | 151,800       | 1,069,609           | 865,975           | 1,223,132           | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Non- interest bearing</li><li>• Collectible in cash at gross amount on demand</li></ul>            |
| ALI (Loans)  | -             | -                   | 30,000,000        | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| ALI (Interest)                                     | -             | -                   | 113,575           | -                   | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.02% to 6.97%</li><li>• Collectible in cash with 14 to 36 days term</li></ul> |
| Entities Under Common Control                      |               |                     |                   |                     |   |
| Bay City Commercial Ventures Inc. (Loans)          | 317,500,000   | 102,500,000         | 987,500,000       | 92,500,000          | <ul style="list-style-type: none"><li>• Unsecured;</li></ul>  |
| Bay City Commercial Ventures Inc. (Interest)       | 1,678,243     | 1,194,818           | 5,540,660         | 416,101             | <ul style="list-style-type: none"><li>• Interest bearing with rates ranging from 6.47% to 7.19%</li><li>• Collectible in cash with 18 to 48 days term</li></ul> |
| Cebu District Property Enterprise, Inc (Loans)     | 39,566,000    | 14,566,000          | 320,000,000       | 12,500,000          | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from 6.56% to 7.19%</li></ul>                                  |
| Cebu District Property Enterprise, Inc. (Interest) | 236,330       | 61,807              | 1,761,638         | 35,022              | <ul style="list-style-type: none"><li>• Collectible in cash with 12 to 62 days term</li></ul>   |
| Soltea Commercial Corp. (Loans)                    | -             | -                   | -                 | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from</li></ul>   |
| Soltea Commercial Corp. (Interest)                 | -             | 219,131             | -                 | 219,131             | <ul style="list-style-type: none"><li>• 6.69% to 7.84%</li><li>• Collectible in cash with 29 to 63 days term</li></ul>  |
| Arca South Hotel Ventures Inc. (Loans)             | -             | -                   | 25,000,000        | -                   | <ul style="list-style-type: none"><li>• Unsecured;</li><li>• Interest bearing with rates ranging from</li></ul>   |
| Arca South Hotel Ventures Inc. (Interest)          | 149,617       | -                   | 149,617           | 6.                  | <ul style="list-style-type: none"><li>• 69% to 7.07%</li><li>• Collectible in cash with 15 to 62 days term</li></ul>  |
| Unity Realty Development Corp. (Loans)             | 36,000,000    | 12,000,000          | 128,000,000       | 12,000,000          | <ul style="list-style-type: none"><li>• Unsecured ;</li><li>• Interest bearing with rates ranging from 6.42% to 7.25%</li></ul>                                 |
| Unity Realty Development Corp. (Interest)          | 213,616       | 693,106             | 609,632           | 589,403             | <ul style="list-style-type: none"><li>• Collectible in cash with 28 to 47 days term</li></ul>   |

|   |            |             |            |             |  |
|---|------------|-------------|------------|-------------|--|
| Ayala Makati Hotel Property Inc. (Loans)        | 40,000,000 | 10,000,000  | 28,000,000 | –           | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from</li> </ul>   |
| Ayala Makati Hotel Property Inc. (Interest)     | 163,780    | 46,984      | 167,177    | 162,161     | <ul style="list-style-type: none"> <li>• 6.69% to 7.25%</li> <li>• Collectible in cash with 28 to 47 days term</li> </ul>  |
| Cavite Commercial Town Center Inc. (Loans)      | 20,000,000 | 5,000,000   | 70,000,000 | 10,000,000  | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from</li> </ul>   |
| Cavite Commercial Town Center Inc. (Interest)   | 72,540     | 259,301     | 414,534    | 86,836      | <ul style="list-style-type: none"> <li>• 6.56% to 7.18%</li> <li>• Collectible in cash with 25 to 52 days term</li> </ul>  |
| Ten Knots Phil. Inc. (Loans)                    | 20,000,000 | 5,000,000   | 35,000,000 | 5,000,000   | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Interest bearing with rates ranging from</li> </ul>   |
| Ten Knots Phil. Inc. (Interest)                 | 72,540     | 111,382     | 194,781    | 188,937     | <ul style="list-style-type: none"> <li>• 6.56% to 7.19%</li> <li>• Collectible in cash with 22 to 55 days term</li> </ul>  |
| North Triangle Depot Commercial Corp.(Loan)     | –          | –           | 28,000,000 | –           | <ul style="list-style-type: none"> <li>• Unsecured;</li> </ul>   |
| North Triangle Depot Commercial Corp (Interest) | –          | 162,161     | 167,177    | 162,161     | <ul style="list-style-type: none"> <li>• Interest bearing with rates ranging from 6.56% to 7.19%</li> <li>• Collectible in cash with 22 to 50 days term</li> </ul> |
| Anvaya Cove Golf & Sports Club, Inc.(ACGSCI)    | 15,156,831 | 4,587,409   | 57,846,509 | 6,235,294   | <ul style="list-style-type: none"> <li>• Unsecured:</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount of demand</li> </ul>            |
| Makati Development Corporation (MDC) (c)        | –          | 9,911       | –          | 9,911       | <ul style="list-style-type: none"> <li>• Unsecured;</li> <li>• Non-interest bearing</li> <li>• Collectible in cash at gross amount of demand</li> </ul>            |
|   |            | 165,666,726 |            | 146,563,874 |  |

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Receivables from ALI consists of the following:
  - i. Trade receivables from ALI includes unsecured non-interest-bearing charges and unpaid membership dues from ALI nominees
  - ii. Receivables from ALI pertains to expenses reimbursement of the Club for the ALI shares on payment of doctor's professional fees.
  - iii. Loans and interest receivables pertain to loans which has 4 to 80 days term subject to interest rate ranging from 6.02% to 7.25%.
- b. Receivable from ACGSCI pertains to charges for the use of the Club's facilities and services by the members of ACGSCI.
- c. Receivable from MDC is related to meals and diesel charges incurred by employees of MDC in the Club.

*Outstanding balances owed to related parties:*

|   | March 31, 2025 |                     | 2024              |                     |  |
|---|----------------|---------------------|-------------------|---------------------|--|
|   | Amount         | Outstanding balance | Amount/<br>volume | Outstanding balance | Terms and conditions   |
| <b>Immediate Parent Company</b>             |                |                     |                   |                     |  |
| ALI (a)                                     | 2,029,478      | -                   | 36,453,158        | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| <b>Entities Under Common Control</b>        |                |                     |                   |                     |  |
| Ayala Land Premier (b)                      | 2,889,115      | 2,879,560           | 6,399,668         | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| ACGSCI (c)                                  | 2,807,371      | 1,310,140           | 10,325,101        | 976,973             | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on Demand |
| MDC   | 834,241        | -                   | 6,956,578         | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| <b>Associates of Ayala Corporation (AC)</b> |                |                     |                   |                     |  |
| Globe Telecom, Inc. (f)                     | 67,852         | -                   | 346,642           | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Innove Communications, Inc. (g)             | 354,714        | -                   | 3,359,940         | 291,878             | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Manila Water Philippine Venture, Inc. (h)   | 812,828        | -                   | 3,736,776         | -                   | Unsecured;<br>Non- interest bearing<br>Collectible in cash at gross amount on demand |
| Total                                       |                | 4,189,700           |                   | 1,268,851           |  |

The Club in the ordinary course of business, has entered into transactions with these related parties which consists mainly of the following:

- a. Amount owed to ALI pertains to costs incurred for property insurance recorded as part of insurance in general and administrative expenses.
- b. Payable to Ayalaland Premier Inc. pertains to the basic management fee, incentive fee and system cost which were previously billed by ACMI. The payables consist of the following:
  - i. Management fees, as agreed upon, include basic management fee amounting to 318,079 per month with an escalation clause of 7.50% per annum and incentive fee equivalent to 3.00% of gross operating profit per month included as part of total management fees in general and administrative expense.
  - ii. System cost at a monthly fixed amount of 644,958 as at March 31, 2025 (2024 - ₱644,958), included as part of corporate expenses in general and administrative expenses.
- c. Payable to ACGSCI pertains to charges incurred by Club members in ACGSCI and inventory transfers.
- d. Payable to MDC pertains to ground maintenance services provided.
- e. Payable to Globe consists of cost incurred for the prepaid mobile line and text blast communication to all members as billed by Amber.

- f. Payable to Innove consists of cost incurred for the trunk line and direct internet of the club.
- g. Payable to Manila Water consists of cost of water utilities incurred by the club.

The amounts receivable from and payable to related parties are not offset since they differ in nature and are billed and paid separately rather than settled on a net basis.

#### *Transactions with BPI*

The Club maintains the following accounts with BPI (an associate of AC):

|                          |      | March<br>31,2025 |                  |                                    | 2024       |                  |                                    |
|--------------------------|------|------------------|------------------|------------------------------------|------------|------------------|------------------------------------|
|                          | Note | Balance          | Income<br>earned | Realized and<br>unrealized<br>gain | Balance    | Income<br>earned | Realized and<br>unrealized<br>gain |
| Cash in banks            | 2    | 27,957,509       | 6,492            | -                                  | 30,236,344 | 25,593           | -                                  |
| Financial assets at FVPL | 3    | -                | -                | 5,153                              | 1,042,089  | -                | 76,235                             |
|                          |      | 27,957,509       | 6,492            | 5,153                              | 31,278,433 | 25,593           | 76,235                             |

#### *Compensation of key management personnel*

Ayala Land Club Management, Inc. (ACMI), a wholly owned subsidiary of ALI, manages the operation of the Club under a Management Agreement which was renewed on January 1, 2022 and shall be effective until January 1, 2025. By virtue of the approval of the merger of ACMI, AyalaLand Premier, Inc. (ALPI), and Ayala Land Sales, Inc. by the SEC on October 17, 2023 wherein ALPI was the surviving entity, contract has now been transferred to ALPI. Compensation paid to key management personnel amounted to P7,739,508 in 2024.

## **16 Financial assets and financial liabilities**

#### *Fair value information*

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash, accounts and other receivables, receivables from related parties, accounts and other payables, contract liabilities and payables to related parties - Carrying amounts approximate fair values due to the relatively short-term nature of these amounts.

Financial assets at FVPL - These are investments in UITF. Fair value is based on net asset values as at each reporting date.

#### *Fair value hierarchy*

The Club classified financial assets at FVPL under Level 1 of the fair value hierarchy (Note 3). There have been no transfers between different categories.

#### *Financial risk management objectives and policies*

The Club's principal financial instruments comprise of cash, financial assets at FVPL, accounts and other receivables, receivables from related parties, accounts and other payables, contract liabilities and payables to related parties. The main purpose of the Club's financial instruments is to fund operational and capital expenditures.

The Club's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Club.

The main risks arising from the use of financial instruments are credit risk and liquidity risk. The management reviews and approves the policies for managing each of these risks and they are summarized as follows:

*(a) Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Club's maximum exposure to credit risk as at March 31, 2025 and December 31, 2024 is the carrying amounts of the financial assets. The Club's maximum exposure for cash excludes the carrying amount of cash on hand. The table below shows the maximum credit risk exposure of the Club:

|                                  | March 31, 2025 | 2024        |
|----------------------------------|----------------|-------------|
| Cash in banks                    | 27,957,509     | 30,236,344  |
| Financial assets at FVPL         | –              | 1,042,089   |
| Accounts and other receivables:  |                |             |
| Trade receivables                | 35,838,883     | 41,125,413  |
| Receivable from employees        | 540,331        | 513,093     |
| Others                           | 2,958,854      | 2,397,406   |
| Receivables from related parties | 165,666,726    | 146,563,874 |
|                                  | 232,962,303    | 221,878,218 |

*Impairment of financial assets*

The Club's financial assets that are subject to the ECL model consists of cash, accounts and other receivables, and receivables from related parties.

*Cash in banks and financial assets at FVPL*

The investment of the Club's cash resource is managed so as to minimize risk while seeking to enhance yield. Credit risk management involves entering into financial instruments only with counterparties with acceptable credit standing. The Club transacts only with bank which have demonstrated financial soundness for the past five years.

*Receivables from related parties*

The Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Identified impairment losses for cash in banks and due from related parties are immaterial.

*Accounts and other receivables*

The Club is exposed to credit risk from its operating activities, primarily on its trade receivables. To manage credit risks, the Club maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

The Club's trade receivables generally pertain 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 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.

Below is the information about the credit risk exposure on the Club's trade receivables using a provision matrix:

March 31, 2025

|   | Current   | < 30 days | < 90 days | > 90 days but<br>< 360 days | Over 360<br>days | Total      |
|---|-----------|-----------|-----------|-----------------------------|------------------|------------|
| Estimated total gross carrying amount of accounts receivables | 9,470,955 | 2,428,842 | 3,736,913 | 4,073,108                   | 16,129,064       | 35,838,883 |
| ECL   | -         | -         | -         | -                           | 12,393,644       |            |

December 31, 2024

|   | Current    | < 30 days | < 90 days | > 90 days but<br>< 360 days | Over 360<br>days | Total      |
|---|------------|-----------|-----------|-----------------------------|------------------|------------|
| Estimated total gross carrying amount of accounts receivables | 16,031,753 | 3,086,709 | 2,601,525 | 3,706,960                   | 15,698,465       | 41,125,412 |
| ECL   | -          | -         | -         | -                           | 12,393,644       |            |

*(b) 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. This may result from either the inability to sell financial assets quickly at their fair values; or a counterparty failing on repayment of a contractual obligation; or the inability to generate cash inflows as anticipated.

The Club employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Club applies a prudent approach to liquidity through the prudent management of cash.

The tables below summarize the aging analysis and maturity profile of the Club's financial assets and financial liabilities, respectively, based on undiscounted contractual cash flows:

|   | Notes | Due and<br>demandable | Less than<br>3 months | 3 to<br>12 months | More than<br>1 year | Total       |
|---|-------|-----------------------|-----------------------|-------------------|---------------------|-------------|
| March 31, 2025                          |       |                       |                       |                   |                     |             |
| <i>Financial assets</i>                 |       |                       |                       |                   |                     |             |
| Cash                                    |       | 28,105,951            | -                     | -                 | -                   | 28,105,951  |
| Financial assets at FVPL                |       | -                     | -                     | -                 | -                   | -           |
| Accounts and other receivables          |       |                       |                       |                   |                     |             |
| Trade receivables                       |       | 9,470,955             | 4,775,819             | 5,463,044         | 3,735,420           | 23,445,239  |
| Receivable from employees               |       | 540,331               | -                     | -                 | -                   | 540,331     |
| Others                                  |       | 2,958,854             | -                     | -                 | -                   | 2,958,854   |
| Receivables from related parties        |       | 165,666,726           | -                     | -                 | -                   | 165,666,726 |
|   |       | 206,742,817           | 4,775,819             | 5,463,044         | 3,735,420           | 220,717,101 |
| <i>Financial liabilities</i>            |       |                       |                       |                   |                     |             |
| Accounts and other payables             |       |                       |                       |                   |                     |             |
| Trade payables                          |       | 14,224,589            | -                     | -                 | -                   | 14,224,589  |
| Accrued expenses                        |       | -                     | 28,382,032            | -                 | -                   | 28,382,032  |
| Funds held for environmental activities |       | 8,114,706             | -                     | -                 | -                   | 8,114,706   |
| Service charge payable                  |       | -                     | 766,390               | -                 | -                   | 766,390     |
| Due to employees                        |       | -                     | 23,559                | -                 | -                   | 23,559      |
| Vouchers payable                        |       | 1,691,229             | -                     | -                 | -                   | 1,691,229   |
| Other payables                          |       | 347,220               | -                     | -                 | -                   | 347,220     |
| Contract liabilities                    |       | -                     | 37,319,002            | -                 | -                   | 37,319,002  |
| Payables to related parties             |       | 4,189,700             | -                     | -                 | -                   | 4,189,700   |
|   |       | 28,567,444            | 66,490,983            | -                 | -                   | 95,058,427  |
| Liquidity Position (Gap)                |       | 178,175,373           | (61,715,164)          | 5,463,044         | 3,735,420           | 125,658,674 |

\*Excluding statutory liabilities amounting to P5,216,184

|   | Notes | Due and<br>demandable | Less than<br>3 months | 3 to<br>12 months | More than<br>1 year | Total       |
|---|-------|-----------------------|-----------------------|-------------------|---------------------|-------------|
| <b>December 31, 2024</b>                |       |                       |                       |                   |                     |             |
| <i>Financial assets</i>                 |       |                       |                       |                   |                     |             |
| Cash                                    |       | 30,296,337            | -                     | -                 | -                   | 30,296,337  |
| Financial assets at FVPL                |       | 1,042,089             | -                     | -                 | -                   | 1,042,089   |
| Accounts and other receivables          |       |                       |                       |                   |                     |             |
| Trade receivables                       |       | 16,031,753            | 4,787,813             | 4,607,381         | 3,304,821           | 28,731,769  |
| Receivable from employees               |       | 513,093               | -                     | -                 | -                   | 513,093     |
| Others                                  |       | 2,397,406             | -                     | -                 | -                   | 2,397,406   |
| Receivables from related parties        |       | 146,563,874           | -                     | -                 | -                   | 146,563,874 |
|   |       | 196,844,552           | 4,787,813             | 4,607,381         | 3,304,821           | 209,544,568 |
| <i>Financial liabilities</i>            |       |                       |                       |                   |                     |             |
| Accounts and other payables             |       |                       |                       |                   |                     |             |
| Trade payables                          |       | 15,685,946            | 7,357                 | -                 | -                   | 15,693,303  |
| Accrued expenses                        |       | -                     | 16,665,664            | -                 | -                   | 16,665,664  |
| Funds held for environmental activities |       | 7,779,341             | -                     | -                 | -                   | 7,779,341   |
| Service charge payable                  |       | -                     | 1,359,880             | -                 | -                   | 1,359,880   |
| Vouchers payable                        |       | -                     | 362,704               | -                 | -                   | 362,704     |
| Due to employees                        |       | 845,658               | -                     | -                 | -                   | 845,658     |
| Other payables*                         |       | 741,136               | -                     | -                 | -                   | 741,136     |
| Contract liabilities                    |       | -                     | 24,097,544            | -                 | -                   | 24,097,544  |
| Payables to related parties             |       | 1,268,851             | -                     | -                 | -                   | 1,268,851   |
|   |       | 26,320,932            | 42,493,149            | -                 | -                   | 68,814,081  |
| Liquidity Position (Gap)                |       | 170,523,620           | (37,705,336)          | 4,607,381         | 3,304,821           | 140,730,487 |

\*Excluding statutory liabilities amounting to Php3,512,622

## 17 Supplementary note to the statements of cash flows

In 2024, the Club maximized its cash flow and continued to invest the excess fund to intercompany lending which generated an interest income of P9,221,206, with interest rate ranging from 6.02% to 7.25%.

Related parties who availed the Club's intercompany lending includes the Ayala Land Inc., Bay City Commercial Ventures Inc., Cebu District Property Ent., Arca South Hotel Ventures Inc., Cavite Commercial Town Center Inc., North Triangle Depot Commercial Corp. Ten Knots Philippines Inc., Unity Realty & Development Corp. and Ayala Makati Hotels Property Inc.

The Club recorded proceeds on disposal of property and equipment amounting to ₱44,948 (2024 - ₱659,821). As at March 31, 2025.

## 18 Summary of material accounting policies

### 18.1 Basis of preparation

The financial statements of the Club have been prepared using the historical cost basis, except for financial assets at fair value through profit or loss that have been measured at fair value. The Club's functional currency is the Philippine Peso (P) and all amounts are rounded off to the nearest peso, unless otherwise indicated.

#### Statement of compliance

The financial statements of the Company have been prepared in accordance with Philippines Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

#### Basis of measurement

The accompanying financial statements have been prepared on the historical cost basis and are presented in Philippine Peso, which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso, unless otherwise indicated.



The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- *Critical accounting judgement - 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, 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.

- *Critical accounting estimate - Evaluating asset impairment (Notes 7 and 6)*
- *Critical accounting estimate - Estimating allowance for ECLs of receivables (Note 8)*
- *Critical accounting judgement - Identification of contract with customers under PFRS 15 (Note 10)*
- *Critical accounting judgement - Identifying performance obligations (Note 10)*
- *Critical accounting estimate - Estimating pension cost and liability (Note 13)*
- *Critical accounting estimate - Recognizing deferred tax assets (Note 14)*

#### *Changes in accounting policies and disclosures*

##### *(a) New standards, and amendments and interpretations to existing standards adopted*

The Club has adopted the following amendments to existing standards starting January 1, 2024:

- *Amendments to PAS 1, 'Presentation of Financial Statements'*

Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as noncurrent and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

- *Amendments to PAS 7 and PFRS 7, 'Supplier Finance Arrangement'*

The amendments to PAS 7 and PFRS 7 were made to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs

to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

The new disclosures will provide information about:

1. The terms and conditions of SFAs.
2. The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
3. The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
4. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
5. Non-cash changes in the carrying amounts of financial liabilities in no. 2.
6. Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The standards do not require comparative information in the first year, and disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 31, 2024 year end, unless an entity has a financial year of less than 12 months.

There are no other new standards, interpretations and amendments to existing standards effective January 1, 2024 that are considered to be relevant or have a material impact on the Club's financial statements.

*(b) New standards, and amendments and interpretations to existing standards not yet effective as at December 31, 2024*

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Company. None of these are expected to be relevant and have a significant effect on the financial reporting of the Company, while the most relevant ones are set out as follows:

- Amendments to PFRS 9 and PFRS 7, 'Classification and Measurement of Financial Instruments'

PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after January 1, 2026, with early application permitted subject to any endorsement process.

- PFRS 18, 'Presentation and Disclosure in Financial Statements'

This is the new standard on presentation and disclosure in financial statements, which replaces PAS

1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is still evaluating the impact of the new standard.

The adoption of the above standards and amendments to existing standards is not expected to have a material impact on the financial statements of the Club.

There are no other new standards, interpretations and amendments to existing standards effective after January 1, 2024 that are considered to be relevant or have a material impact on the Club's financial statements.

## **18.2 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 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 and liabilities 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) prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 - Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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 and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## **18.3 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.

### **18.3.1 Financial assets**

#### **(a) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, or fair value through profit or loss (FVPL), as applicable.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Club has applied the practical expedient, the Club initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables 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, 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Club commits to purchase or sell the asset.

#### *(b) Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in two applicable categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVPL

#### *(c) 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, accounts and other receivables and receivables from related parties.

#### *(d) Financial assets at FVPL*

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income. This category includes investment in Unit Investment Trust Fund (UITF).

#### *(e) 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 balance sheet) 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.

*(f) Impairment of financial assets*

The Club recognizes an allowance for estimated credit losses (ECLs) for all debt instruments carried at amortized cost. 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.

For accounts and other receivables, the Club applies a simplified approach in calculating ECLs. Therefore, the Club does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Club has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Club considers a receivable 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Club implements a policy on its receivables, wherein members in the delinquent list or those with accounts that are past due for more than 120 days are reported to the BOD. The respective shares of the members or of the juridical entities they represent shall be ordered sold by the BOD, through an auction, to satisfy the claims of the Club.

18.3.2 Financial liabilities

*(a) Initial recognition and measurement*

Financial liabilities are classified at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, 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).

*(b) Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortized cost.

*Financial liabilities at amortized cost (loans and borrowings)*

This is the category most relevant to the Club. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of income when the liabilities are derecognized as well as through 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 interest expense in the statement of income.

*(c) Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

18.3.3 Offsetting of financial instruments

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 offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## 18.4 Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale. The cost of inventories is determined using the moving average method.

An allowance for inventory losses is provided for slow-moving, obsolete and defective inventories based on management's physical inspection and evaluation.

## 18.5 Value-added tax (VAT)

Revenues, 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 up 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.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

## 18.6 Property and equipment, net

Property and equipment, except for land, are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its construction cost or purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the items can be measured reliably. All other repairs and maintenance are charged against current operations as incurred.

Projects in progress are also capitalized as part of property and equipment under separate account, projects in progress. These projects will form part of building and improvements and furniture, fixtures and equipment. Items under the account are not depreciated until completed and proper reclassification is made.

Depreciation of property and equipment commences once the following month after acquisition and is computed on a straight-line basis over the estimated useful lives of the property and equipment as follows:

|                                  | Years |
|----------------------------------|-------|
| Building and improvements        | 35    |
| Land improvements                | 25    |
| Furniture, fixture and equipment | 5     |

The assets' estimated useful lives and depreciation method are reviewed periodically to ensure that the amounts, periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated property and equipment are retained in the accounts while still in use although no further depreciation is charged to current operations.

## **18.7 Impairment of non-financial assets**

### *Advances and other noncurrent assets*

The Club provides allowance for impairment losses on advances and other noncurrent assets when these 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 assets 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.

## **18.8 Pension costs**

The liability recognized in the statements of financial position in respect of defined benefits pension plans is the present value of the defined benefits obligation (DBO) at the reporting date less fair value of the plan assets, if any. The present value of the DBO is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liabilities or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Pension costs of the DBO is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

Defined benefit costs include:

- Service costs
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefits liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in statement of comprehensive income.

Remeasurements, comprising of actuarial gains or losses, the effect of the asset ceiling, excluding net interest cost and the return on plan assets (excluding net interest), if any, are recognized immediately in the statements of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

## **18.9 Equity**

### *Paid-in capital*

Paid-in capital is measured at stated value for all shares subscribed, issued and outstanding.

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

If additional paid-in capital is not sufficient, the excess is charged against retained earnings. 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.

## **18.10 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 disclosures of critical accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 1.

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.

### *Transfer fees*

Transfer fees pertain to earnings from transfer of member's ownership recorded upon initiation of transfer process. Revenue is recorded at point in time when the services are rendered.

## **18.11 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.

## **18.12 Leases**

The Club assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *Short term lease and leases of low-value assets*

The Club applied the short-term lease recognition to its short-term leases of office equipment. It also applies the lease of low-value assets recognition exemption to its leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight- line basis over the lease term.

## **18.13 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 that are 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.

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. 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 the deferred tax asset to be recovered.

Income tax relating to items recognized directly in equity is recognized in equity and not in the statements of comprehensive income.

#### *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.

#### **18.14 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. 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.



**ANVAYA  
COVE**  
Beach & Nature Club

### CERTIFICATION

I, **BERNARD VINCENT O. DY**, Chairman of the Board of **ANVAYA COVE BEACH AND NATURE CLUB, INC.** with SEC Registration No. **CS200502332** and principal office at **Anvaya Cove, Morong, Bataan**, on oath state that:

- 1.) On behalf of **Anvaya Cove Beach and Nature Club, Inc.**, I have caused this **SEC Form 17-Q** for **1<sup>st</sup> quarter of 2025** to be prepared;
- 2.) I have read and understood its contents which are true and correct of my own personal knowledge and/or based on authentic records;
- 3.) The Company, **Anvaya Cove Beach and Nature Club, Inc.**, will comply with the requirements set forth in SEC Notice dated **12 May 2021** for a complete and official submission of reports and/or documents through electronic mail; and
- 4.) I am fully aware that documents filed online which require pre-evaluation and/or processing fees shall be considered complete and officially received only upon payment of a filing fee.
- 5.) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this MAY 15 2025 day of \_\_\_\_\_, 2025.

**BERNARD VINCENT O. DY**  
Affiant

**SUBSCRIBED AND SWORN** to before this MAY 15 2025 day of Makati City, 2025 at \_\_\_\_\_, affiant exhibiting to me her Competent Evidence of Identity consisting of PPNs - P10905330 issued at MANILA expiring on JUN 30 2031.

Doc. No. 112;  
Page No. 24;  
Book No. X;  
Series of 2025.

Notarial DST pursuant to Sec. 61 of the  
TRAIN Act (amending Sec. 188 of the NIRC)  
affixed on Court's copy.



**Anvaya Cove Beach & Nature Club**  
Morong, Bataan 2108

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**TRIXIE CARMELA J. GONZALES**  
Notary Public - Makati City  
Appt. No. M-025 until December 31, 2025  
Roll of Attorneys No. 74043  
IBP No. 492140 - 01/02/2025 - Manila IV  
PTR No. MKT10467734MN - 01/03/2025 - Makati City  
MCLE Compliance No. VIII-0031268 - 05/01/2025  
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