ANNEX F

2025 ANNUAL REPORT / FINANCIAL STATEMENTS WITH AUDITOR'S REPORT (SRC Rule 68)

Financial Information

The corporation's audited Financial Statements for the period ending 31 December 2025 required to be reported are as follows:

FINANCIAL STATEMENTS
December 31, 2025

(i) 2025 Annual Report
(ii) Audited Financial Statements for the years ending 31 December 2025

The following document has been received:

Receiving: DONNA ENCARNADO
Receipt Date and Time: May 15, 2026 04:19:22 PM

Company Information

SEC Registration No.: AS95003557
Company Name: MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

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COVER SHEET

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S.E.C. Registration Number

M O U N T   M A L A R A Y A T   G O L F   A N D
C O U N T R Y   C L U B , I N C .

(Company's Full Name)

B A R A N G A Y   D A G A T A N , L I P A   C I T Y

(Company's Address: No. Street City/Town/Province)

ALEJO S. DIMAILIG	(043) 756-7001
Contact Person	Company Telephone Number

1 2	3 1	1 7 - A	0 9	1 1
Month	Day	FORM TYPE	Annual Meeting	

Fiscal Year

None

Secondary License Type, If Applicable

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	None	None
		Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. use black ink for scanning purpose

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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 **31 December 2025**

2. SEC Identification Number **ASO95-3557**. 3. BIR Tax Identification No. **004-721-731**

4. Exact name of issuer as specified in its charter

   MOUNT MALARAYAT GOLF AND COUNTRY CLUB, INC.

5. **Lipa City, Batangas, Philippines** — Province, Country or other jurisdiction of incorporation or organization

   (SEC Use Only) Industry Classification Code:

7 **Barangay Dagatan, Lipa City, Batangas** — Address of principal office; **4217** — Postal Code

8. **(043) 756-7000 to 7006**
   Issuer's telephone number, including area code

9. (NOT APPLICABLE)

   Former name, former address, and former fiscal year, if changed since last report.

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 Common Stock Outstanding and Amount of Debt Outstanding*
Gold	2,000 no par shares
Silver	2,000 no par shares
TOTAL	4,000 no par shares

11. Are any 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:
    ________________________ ________________

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17(a) of the SRC and Sections 25 and 177 of the Revised Corporation Code of the Philippines (R.A. 11232) 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[X] No[ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the issuer.

As of the end of the period [2025] covered by this report, the common voting stock held by non-affiliates is One Hundred forty-seven (147) *no par value* shares of stock. For purposes of this report, shares held by non-affiliates are all shares outside Active Realty and Development Corporation and the Turalba Family, the latter owning the controlling voting shares of stock of the issuer.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code after the distribution of securities under a plan confirmed by a court or the Commission.

Ye [ ] No [X]

NOT APPLICABLE. The corporation is not involved in any insolvency, bankruptcy or suspension of payments proceedings.

DOCUMENTS INCORPORATED BY REFERENCE

15. NONE of the following documents are incorporated by reference.

(a) Any annual report to security holders;

(b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b);

(c) Any prospectus filed pursuant to SRC Rule 8.1-1.

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) *Business Development*

Mount Malarayat Golf and Country Club, Inc. ("Club"/"Issuer" alternatively used for brevity) was incorporated on 7 April 1995 as a stock, non-profit corporation[1] with the primary purpose of promoting social, recreational, and athletic activities for the exclusive benefits of all its members through the

[1] amendments to the Corporation's Articles and By-laws submitted to h SEC with the latter's reply-comments for the Club to shift to "stock, profit" corporation. Note: The application for amendments remains pending at the time of the filing of this report.

operation of a golf and country club located in Lipa City, Batangas. It started formal operations in October 1998.

Upon its incorporation in 1995, the Club entered a Development Agreement with the Active Realty and Development Corporation (“ARDC” for brevity) in which the latter agreed to acquire lands and develop the facilities of the Club in exchange for shares of stock of the Club.

On September 19, 1995. SEC issued a Certificate of Permit to Sell Shares of originally registered securities consisting of 4,000 Shares of common stock divided into 2,000 Gold Shares and 2,000 Silver Shares. The pre-incorporation subscription was 1,250 Shares (461 Gold and 789 Silver). The remaining 2,750 Shares will be released to ARDC based on percentage of project development. Meantime, based on the percentage of developed areas accepted by the Club pursuant to the Development Agreement and, on account of the increase in the project cost incurred by ARDC in the process, the club issued additional 1,849 Shares (1,539 Gold and 310 Silver) to ARDC.

In December 28, 2007, ARDC had completed the Country Club and turned over all the completed facilities to the club. However, it was only on January 13, 2012, when the Club issued to ARDC the remaining 901 unissued shares (600 Silver C and 301 Silver A) shares in **full and final payment** for the development of the entire Project. Thus, in fulfillment of its obligation under the development agreement, ARDC has completed and delivered to the club the 27-hole championship golf course, various sports facilities including several ball courts and a swimming pool, multi-purpose hall and a children’s club, and the golfer’s lounge with its appurtenant facilities including the sand trap, tee-houses, function rooms, locker rooms, and gym, the golf club which houses several function rooms, ballroom, food and beverage outlets, country club which also houses a gym and fitness room, function rooms and other facilities.

The Club is not subject of any bankruptcy, receivership or similar proceedings. During the calendar year covered by this report, the club has not undertaken any material reclassification, merger, consolidation, or purchase of significant amount of assets not in the ordinary course of business.

No matter is required to be reported under the Rules on Disclosure have been submitted to a vote of the members during the last quarter of the year ending 31 December 2025.

(2) *Business*

Description of Registrant

The Club is a golf and country club and operates for the exclusive benefit of its members, their family members, and guests. It is not organized for profit or for the financial gains of its members.

Principal products or services and their mark

The facilities of the Club consist of (1) golf club, with a 27-hole golf course, driving range, golfer’s lounge or clubhouse with restaurant and bar, locker rooms and gym and several food and beverage outlets; (2) children’s club with an outdoor playground, children’s green and a children’s pavilion with nursery and multipurpose hall; (3) sports club with several ball courts, an outdoor swimming pool complex; (4) Club hotel, ballrooms, function rooms, and specialty restaurants and other facilities; (5) Multi-purpose Hall, main indoor covered pavilion and outdoor vacant spaces;(6) Country club with gym and fitness rooms, other sports facilities and function rooms and, the newly opened indoor shooting range.

The club’s primary customer base comprises its members, lessees of playing rights, their respective family members and guests. Most of the members are residents and citizens of the Philippines.

Not Applicable. There are no significant revenues or income contributed by foreign sales for the CY 2024 and 2025.

Revenues are derived from membership dues, golf, F&B, country club (including function rooms and hotel) operations and miscellaneous administrative income from processing and transfer fees. Golf operations and membership dues contributed largely to the revenues of the club.

Completed Development of Facilities

On December 28, 2007, the ARDC as developer has turned-over to the club the completed country club and other facilities in accordance with the Development Agreement signed by ARDC and the club. This material event was reported to the Commission on January 07, 2008.

Competitive Business Conditions

The club is one of several golf and country clubs in Batangas province. The principal competitor of the club is Summit Point Golf Club which is also located in Lipa, Batangas, just a few kilometers away from the Club. Similarly, Summit Point also has golf clubhouse, country club and residential community, Fernando Airbase, a government property which offers 18-hole golf course and Tagaytay Midlands/Highlands Golf Clubs, 18-holes located in Talisay Batangas. There are other gold courses located in nearby provinces such as Ayala Greenfield Golf and Leisure Club, 18-holes (Calamba, Laguna); Canlubang Golf and Country Club, 18-holes (Canlubang, Laguna); Sta. Rosa Golf Club, 18-holes (Sta. Rosa, Laguna) (within the region (Region 4-A); Southwoods (Sta. Rosa Laguna) and Riviera Golf and Country Club (Silang, Cavite). These golf courses and country clubs are also exclusive clubs operating for the benefit of their members.

For the club, the competition depends largely on the patronage from the members. For non-members who went to play golf and/or avail of the facilities as guests, playing rights holders, nominee/s of corporate members, and nominees of the selling shareholder ARDC by promoting the services and the golf and country club facilities.

The club believes the other golf clubs do not have competitive advantage because the club boasts as the only golf course in the Philippines that offers a 27-hole-all-weather-golf course complemented by good weather condition in Lipa City, Batangas. The club charges its members monthly membership dues (P6,000 for gold share and P3,000 for Silver share). Members in good standing as defined in the Articles of Incorporation and By-laws are given membership vouchers as additional incentives (on top of “early bird” discounts to members paying annually in advance) which they may use as golf green fee or accommodation to the club hotel or The Suites at Malarayat, a condominium-type accommodation located within the club complex. The golf green fee with insurance remains competitive at P2,000 for locals and P2,300 (additional P300 if unaccompanied by member) for foreigners on weekdays and; P2,950 (P3,550 if unaccompanied) for locals and P3,650 (P4,250-if unaccompanied) for foreigners on weekends. Moreover, the club has a wide range of sports and recreational facilities. These features make the club an attractive and ideal leisure destination for both family and corporate events as well as a leisure complement to the many industrial estates located in Batangas and nearby Laguna province.

Dependence on single or few customers

Being an exclusive club, it is primary customer base comprises its members, playing rights holders, their respective families, and guests. A substantial share comes from Korean, Japanese, and local markets who regularly visit the club during peak season.

The club is highly dependent on their patronage as well as up to date payment of membership dues and assessments. The club’s patronage varies which direct impact on its revenues.

Transactions with and/or dependence on related parties

Pursuant to the Development Agreement, the facilities of the club are financed and developed by ARDC in exchange for shares of stock of the club. At present, ARDC still owns a controlling interest of roughly 78% (held by the Turalba family) in the club.

The club has not registered any trademark or patent. Neither it has any franchise or entered into any royalty agreements or similar contracts or transactions.

Need for any government approval of principal products or services

On October 26, 2006 the SEC approved the amendment to the club's Registration Statement that authorized the Increase in the Offer Price [per share] of its outstanding unsold shares resulting to increased project cost as mentioned above.

The club is mandated to report (SEC 17C) to SEC any material event that would likely influence the decision of the investor about the securities. Annually, there are reports (SEC Form 17A, SEC Form 20-IS, etc.) which must be reported in addition to customary business and local permits and licenses issued by the Lipa City Government.

The club undertakes to report to the Commission any material event[2] which requires to be disclosed under SEC 17-C and existing SEC issuances.

Effect of existing or probable governmental regulations on the business

In May 30, 2024, the club submitted its Annual Corporate Governance Report (ACGR)[3] addressed to public companies and registered issuers.

Similar in some respects with the previous SEC Circulars (MC No. 6, s. 2009, MC No. 9, s. 2014 and MC No. 4, s. 2017), the manual on corporate governance seeks to institutionalize the principles of good corporate governance in the organization based on the club's corporate objectives and principles that will guide the Board of Directors, Executive Officers and employees, their roles and responsibilities and the rights and obligations of the members, officers and employees consistent with the Clubs Articles of Incorporation and By-Laws.

On September 11, 2020, a resolution was passed by stockholders and directors present approving the proposal to incorporate the changes introduced by the Revised Corporation Code of the Philippines (RA 11232) in the club's Article of Incorporation and By-laws.

Compliance with SEC MC No. 01, 2021 (re Beneficial Ownership Transparency Guidelines); MC No 28 s. 2020 (re: Corporations, Partnership, Associations, and Individuals to Create and/or Designate e-mail account address and Cellphone Numbers for Transactions with the Commission dated August 27, 2020); had been submitted prior to the imposed deadlines.

In August and September 2021[4] SEC sent to Club Malarayat its comments to the proposed Amendments to its Articles of Incorporation and by-laws.

Finally, on December 31, 2021, SEC issued Memorandum Circular No. 13, s. 2021 providing for disclosure guidelines for PCs and RIs compliance and non-compliance with the recommendations under SEC MC No. 24. s. 2019 and R.A. 11232 mandating all covered companies [including the club as registered issuer], to submit the prescribed [Integrated] ACGR for January to December 2021 on or before June 30, 2022. As of the filing of this report, there are no other government regulations which can be foreseen to significantly affect the operations and compliance by the club.

Research and development activities

No research and development activities are undertaken by the club.

Costs and effects of compliance with environmental laws

An Environment Compliance Certificate (ECC) for the development and operation of the club had been issued. Cost of compliance with the terms and conditions stated therein as well as other related

[2] The club reported to the Commission on February 3, 2025 the death of its Founding Chairman Antonio Asperilla Turalba

[3] Filed May 24, 2024; And, the resignation of Independent Director, Jose Raulito Paras was reported to the Commission n February 19, 2026

[4] see footnote No. 1, supra.

environmental regulations make up part of the maintenance costs of the club but the amount has not been significant.

Employees

As of December 31, 2025 the club has increased its employees to 30 consisting of:

Managerial	04
Supervisory	14
Rank & File	12

From October 1, 2025 to December 31, 2025, the club maintained the 24 regular employees with the additional 6 employees on probationary status.

The rest of the workforce in the club are supplied by Manpower Service providers and ATF Property Management Inc. (APMI) which operates and maintain the golf and country club facilities, Club Hotel and The Suites; On the other hand, MJCarr Golf Management Inc. maintains the golf courses and the open spaces and common areas in the residential estates while Culinary Adventures Inc. (CAI) handles the F&B at the Sand Trap, Eagle Lounge, Green Rooms, Half Way Houses, Driving Range Food Outlet and Tee Houses and will soon caters also to events like conferences, birthdays and wedding/anniversary receptions held at the club's function rooms.

The club's employees and staffing supplied by concessionaires and other contractors.

The club has no Collective Bargaining Agreement (CBA) with its employees but continue to hold regular dialogues and consultations with them affecting their work condition and well-being.

No supplementary benefits, other than all mandatory benefits under prevailing labor laws and related laws, are currently being given to the employees.

Item 2. Properties

The properties of the club consist of various parcels of land and several buildings housing various golf, sports and recreational facilities located in Lipa City, Batangas.

All the club's maintenance equipment is supplied by the club, other suppliers and MJCARR Golf Management Inc., the company in charge of operating and maintaining the 3-golf courses and residential estates' common areas and open spaces.

Except for the property donated to the Archdiocese of Lipa, Batangas and subdivided lots sold or transferred to third party lot buyers in Mount Malarayat Residential Estate, the residential portion is separate from the golf and country club but part of the entire Malarayat project including its expansion(s), all real properties are owned either by the Club, by ARDC, AVT Properties/ATF Assets (The Suites at Club Malarayat) or by residents-members of mount malarayat homeowners association. Also, except for the Pro Shop currently on lease arrangement with outside providers for the sale of golf accessories, paraphernalia, designer clothes etc., and the indoor shooting range open to club members and outsiders, there are no other properties being leased by, or to, the Club. Finally, except for legal easements on water, local electric and power transmission lines (National Power Corporation), none of the real properties owned by the Club are subject of any mortgage, liens or encumbrances.

Item 3. Legal Proceedings

The club is not involved in any legal proceedings during the period covered by this report.

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

Except for the approvals of: i) Minutes of Previous Annual Meeting of Stockholders held on September 19, 2025; ii) Annual Reports and Audited Financial Statements and other financial reports for calendar year ending 2023, 2024 and 2025 and, iii) Ratification of Acts of the Board and Management Acts for the year 2024; and, iv) Election of the members of the Board of Directors including Independent Directors and Officers during the organizational meeting that followed, there are no other matters submitted to a vote by the stockholders in the previously held annual stockholders' meeting.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

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

(1) *Market Information*

The stocks of the club were conveyed to ARDC as consideration for the acquisition and development of the facilities of the golf and country club and its facilities.

No shares are traded in any exchange. Current sales are secondary sales either by ARDC in accordance with the Permit to Sell issued by the Commission or by individual shareholders or by the club itself pursuant to the sale of delinquent shares in accordance with the auction procedure under Article XI of the by-laws.

The market for these securities came from either domestic or foreign market. Since these are secondary sales, the club is not privy to the prices offered by individual seller subject, however, to the club's prior notice requirement and exercise of its right of first refusal as stated in its Articles of Incorporation and annotated in the certificate of stocks issued to stockholders/members.

(2) *Holders*

As of 31 December 2025, the Club has a total of 780 stockholders or members of record, broken down according to class as follows:

Class	*Number of Shareholders*
Gold A	548
Gold B	28
Gold C	149
Silver A	50
Silver B	3
Silver C	2

The top shareholder is ARDC which holds a total of 3,084 shares of various classes, as of 31 December 2025. *(Please note that in the breakdown stated above, ARDC is listed only once under Gold A although its holdings include all types of shares).*

Most of the shareholders hold either one or two shares. The top shareholders are as follows –

Shareholder	*Number of shares held*		
	Gold	*Silver*	*Total*
ARDC	1,144	1940	3084
Philippine Deposit Insurance Corp	46		46
PNB	17		17
Teodoro Salud	5	4	9
DEI Properties, Inc.	5		5
Antonio A. Turalba (+)	22		22
Antonio V. Turalba, Jr	4		4
Antonella T. Abdon	4		4
Anjeanette T. Fuentebella	4		4
Angela V. Turalba	4		4

(3) *Dividends*

NOT APPLICABLE. Being a non-profit corporation, the Club does not declare dividends.

(4) *Recent Sales of Unregistered Securities*

The repurchased shares by the club and/or ARDC which in turn were sold to third parties are the result of either re-acquisition of shares or auction sale of delinquent members. Auction sale of delinquent members' shares is a continuing process from time to time primarily to augment the operational expenses of the club and/or for the repayment of loans to ARDC or third-party creditors.

Item 6. Management's Discussion and Analysis or Plan of Operation.

(i) Trends or any known demands, commitments, events or uncertainties affecting liquidity

The Club continues to rely primarily on internal sources of liquidity, particularly collections from membership dues, sports club operations, food and beverage revenues, hotel operations, and other member-related charges.

Collection performance and sustaining operational revenues remain critical factors affecting the Club's liquidity. While operations have generally normalized after the pandemic years, the Club continues to experience challenges arising from increased operating costs, inflationary pressures, maintenance requirements of aging facilities, and the need for continuous capital improvements.

In year 2025, Food and Beverage revenues and Sports Club revenues continued to improve, which helped sustain the Club's operations. However, decreases in Membership Dues, Hotel Operations, and Other Revenues, particularly proprietary share transfer fees, affected the Club's overall revenue performance. Moreover, increases in operating costs such as repairs and maintenance, utilities, manpower-related expenses, communication, depreciation, and finance costs also impacted liquidity during the year.

Management continues to focus on improving collection efficiency, managing operating expenses, and maintaining operational sustainability. Current obligations of the Club remain primarily composed of short-term obligations to suppliers and loan repayments.

Since the effects of the pandemic, the Club's financial standing significantly improved beginning 2023 and continued through 2024. However, during 2025, operations became more challenging due to rising costs and lower revenues from certain income streams, resulting in lower profitability and tighter liquidity conditions. Despite these challenges, Management remains optimistic that the Club will continue to sustain operations and improve its financial performance through operational efficiency, facility enhancements, and member engagement initiatives.

(ii) Material Commitments for Capital Expenditures

The Club continued its commitment to maintaining and improving its facilities during 2025. Major repairs and maintenance works were undertaken on various Club facilities and equipment to preserve operational efficiency and improve member experience.

The Club remains committed to the continuing rehabilitation, upgrading, and enhancement of its facilities, particularly in the Country Club, hotel, sports, and golf course areas. These projects are intended to improve service quality, operational sustainability, and revenue-generating capability of the Club.

Since 2021, the Club has consistently implemented facility upgrades and major repairs on its aging buildings, golf course systems, and operational equipment. Improvements included waterproofing works, repairs on building structures, maintenance of irrigation and water systems, replacement and repair of equipment, and enhancement of member facilities.

In 2025, the Club continued to prioritize maintenance of the golf course, clubhouse facilities, utilities, and operational equipment despite financial challenges. Repairs and Maintenance expense significantly increased during the year due to the Club's continuing efforts to preserve the quality and safety of its facilities.

The Club likewise continued to meet its commitments to contractors, suppliers, manpower service providers, and maintenance personnel necessary to sustain regular operations and maintain the golf course and facilities in good operating condition.

Management intends to continue these improvement projects in the succeeding years as part of the Club's long-term sustainability and operational enhancement plans.

(iv) Losses

The Club's operations during year 2025 remained stable despite a more challenging operating environment compared with 2024. While certain core revenue streams such as Food and Beverage and Sports Club operations improved, decreases in other revenues combined with higher operating and finance costs resulted in a Net Loss for the year amounting to P21.3 million.

The increase in Net Loss during 2025 was primarily attributable to lower revenues from proprietary share transfer fees, increased repairs and maintenance expenditures, higher operating costs, and increased finance costs. Despite these challenges, the Club continued its operations without major disruption and maintained its commitment to improving facilities and member services.

Management does not foresee significant operational losses that would materially affect the Club's ability to continue as a going concern. The Club remains focused on improving operational efficiency, strengthening collections, managing costs, enhancing facilities, and sustaining member participation and patronage in the coming years.

(v) Material Changes

During 2025, the Club continued its regular operations amid a more competitive business environment and changing market conditions. While core operations remained stable, certain revenue streams experienced slower activity compared with the prior year.

The Club's revenues for the year 2025 slightly decreased by 1% or about P4.4 million compared with year 2024. Membership Dues revenues decreased by 1% or P925 thousand due to slightly lower active membership collections during the year. Food and Beverage revenues increased by 11% or about P10.2 million as a result of continued patronage from members, guests, and event-related activities. Sports Club revenues likewise increased by 7% or P6.3 million due to sustained golf activities of members and guests.

Hotel Operations revenues decreased by 14% or P1.8 million compared with 2024 due to lower hotel occupancy and utilization during the year. Other Revenues significantly decreased by 47% or P18.3 million mainly due to lower collections from proprietary share transfer fees compared with the unusually high collections recognized in 2024.

Direct Costs at the end of year 2025 increased by 7% or P15.1 million compared with that of 2024. Depreciation increased by 7% or P1.8 million due to additional depreciable assets recognized by the Club. Direct Cost on Food and Beverage increased by 16% or P13.3 million in line with higher revenues and increased costs of operations. Direct Cost on Hotel Operations increased by 6% or P1.4 million due to maintenance and operational costs directly attributable to hotel services.

Meanwhile, Direct Cost on Sports Club decreased by 2% or P1.3 million despite continued operations, primarily due to cost management initiatives and lower maintenance-related expenditures during the year.

Cost of Sales and Services or Direct Costs remained directly related to the level of operations, revenue-generating activities, and fixed operating expenses of the Club.

General and Administrative Expenses at the end of year 2025 decreased by about 3% or P3.6 million compared with corresponding amounts in 2024. The decrease was mainly due to the Club's continued efforts in managing administrative and operating expenses despite inflationary pressures and operational requirements. Certain operating expenses increased during the year. Repairs and Maintenance increased by 90% or P7.0 million due to additional maintenance works and upkeep of Club facilities. Short-term Benefits increased by 8% or P862 thousand due to manpower-related adjustments. Power, Light and Water, Taxes and Licenses, Advertising, and Other operating expenses remained relatively consistent with prior year balances. Despite increases in selected operating expenses, the reductions in several major expense accounts resulted in the overall decrease in General and Administrative Expenses for the year 2025.

After considering all the increases and decreases in revenues and expenses discussed above, the Club incurred an Operating Loss of P16.0 million in 2025 compared with an Operating Loss of only P44 thousand in 2024.

Finance Cost for the year 2025 amounted to P3.6 million, which is 87% or P1.7 million higher compared with P1.9 million in 2024. The increase was mainly attributable to additional interest-bearing obligations and financing charges incurred during the year.

Due to the collective increases and decreases in the components of income and expenses, the Net Loss for the year 2025 increased by about 419% or P17.2 million compared with the Net Loss recorded in 2024.

At the end of year 2025, basic loss per share amounted to P10,655 per Gold share and P5,327 per Silver share. The loss per share is computed by dividing the total net loss by the total issued and outstanding shares. Loss is proportioned between the two classes of shares using a 2:1 ratio between Gold and Silver shares, consistent with the provision in the Articles of Incorporation stating that the issue value of Gold shares is twice that of Silver shares and that such proportion shall be maintained at all times.

Total issued Gold shares amounted to 2,000 shares while total issued Silver shares also amounted to 2,000 shares, for a total of 4,000 issued and outstanding shares.

In the Balance Sheet, Cash as at the end of 2025 decreased by about P8.5 million or 29% compared with the balance at the end of 2024. This was mainly due to the Club's continuing operational requirements, repayment of obligations, and expenditures related to the maintenance and improvement of Club facilities during the year. Despite the decrease in cash, the Club continued to sustain its regular operations and meet its obligations to suppliers, lenders, and service providers.

Trade and Other Receivables increased by about P8.1 million or 33% at the end of 2025, indicating higher levels of revenues on account and receivables from members, guests, and other clients. Management continues to monitor and improve collection efficiency to strengthen cash inflows and liquidity of the Club.

Prepayments and Other Current Assets decreased by about P479 thousand or 5% compared with that of 2024. These consist mainly of advance payments, creditable withholding taxes, and other prepaid operating expenses recognized during the year.

Total Current Assets slightly decreased by about P911 thousand or 1% compared with year 2024 as the increase in receivables was offset by the decrease in cash balances and prepayments.

Property and Equipment decreased by about P22.1 million or 2% compared with 2024. The decrease was primarily due to the recognition of depreciation expense during the year, partially offset by acquisitions and improvements made on the Club's facilities and equipment.

Trade and Other Payables increased by about P2.3 million or 3% mainly due to regular purchases of supplies, services, and maintenance-related expenditures from suppliers providing extended payment terms to the Club.

Loans Payable – current portion decreased by about P4.0 million or 22% due to the Club's regular repayments of maturing loan obligations during the year. The non-current portion of Loans Payable remained unchanged at P10.6 million.

The Club continues to recognize Retirement Benefit Obligation for its qualified employees based on actuarial valuation performed by E.M. Zalamea Actuarial Services. At the end of 2025, Retirement Benefit Obligation increased by about P214 thousand due to the recognition of retirement benefit expense and corresponding liability during the year.

Total Liabilities at the end of 2025 decreased by about P1.5 million or 1% compared with 2024 mainly due to repayments of loan obligations, partially offset by increases in trade payables and retirement benefit obligations.

Stockholders' Equity decreased by about P21.4 million or 2% due mainly to the Net Loss incurred during the year amounting to P21.3 million and the recognition of remeasurements on retirement benefit obligation amounting to P135 thousand.

The Club remains focused on sustaining operations, improving collections, managing costs, and continuously enhancing its facilities and services for the benefit of its members and guests.

Issuance, Repurchases and Repayments of Debt and Equity Securities

There are no debt or equity securities that the Club issued, repurchased or repaid during this reporting period.

Dividends Paid

The Company's shares are proprietary in nature and no shareholders are paid dividends for their shareholdings.

Item 3. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's Management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, interest rate risk, credit risk and liquidity risk.

Management established policies to manage the risks associated with financial instruments. Its overall risk management program is focused on the unpredictability of developments on the financial markets and seeks to minimize potential adverse effects on its financial position.

Management is in close cooperation with the Board of Directors and focuses on actively securing the club's short-to-medium term cash flows by minimizing the exposure to financial markets.

25.01 Market Risk Management

25.01.01 Interest Rate Risk Management

The Company's exposure to interest rate risk arises from loans payable which is subject to fixed interest rate and from its cash in bank which is subject to variable interest rates. The interest rate risk *arising from loans and cash in banks are managed by means of effective investment planning and analysis, and maximizing investment opportunities in various local banks and financial institutions.*

The Company's losses for the years ended December 31, 2025, 2024 and 2023 would have been unaffected since the Company has no borrowings at variable rates and interest rate risk exposure for its cash in bank, which is subject to variable rate, is immaterial.

25.02 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash and trade and other receivables (except advances to officers and employees).

The Company considers the following policies to manage its credit risk:

- *Cash in Banks*

  The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

- *Trade and Other Receivables*

  The Company bills all members monthly. If any bill remains unpaid by the end of the month following that in which the bill was incurred, the club shall notify the member that if his/her bill is not paid by the end of the succeeding month his/her name will be posted as delinquent the following day at the Clubhouse Bulletin Board. Delinquent accounts shall be charged by carrying fees, interests and surcharges. Members on the delinquent list for more than sixty (90) days and who have an outstanding balance of ₱100,000 or more, shall be reported to the Board and their shares or the shares of the juridical entities they represent shall thereafter be ordered and sold by the Board at an auction to satisfy the claims of the club. The company did not hold auction proceedings during the year. A member may pay his/her overdue account at any time before the auction sale.

The carrying amounts of financial assets measured at amortized cost are as follows:

		2025		2024
Cash	₱	**20,679,026**	₱	29,228,894
Trade and other receivables		**30,811,335**		23,423,136
	₱	**51,490,361**	₱	52,652,030

The calculation of allowance for expected credit losses are based on the following three (3) components:

- *Probability of Default (PD)*

  PD is the likelihood over a specified period, usually one year that a client will not be able to make scheduled repayments. PD depends not only on the client's characteristics, but, also on the economic environment. PD is estimated using historical data.

- *Loss Given Default (LGD)*

  LGD is the amount of money a company losses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

- *Exposure at Default (ED)*

ED is the total value a company is exposed to when a loan defaults. It refers to the carrying amount of financial asset.

Below is the summary of computation of allowance for expected credit losses in 2025:

	PD rate	LGD rate		ED		ECL
	a	***B***		***c***		***d=a*b*c***
Cash in banks	0%	0% - 82.65%	₱	20,679,026	₱	
Trade and other receivables	45.95%	100%		46,822,571		16,011,236
			₱	**67,501,597**	₱	**16,011,236**

Below is the summary of computation of allowance for expected credit losses in 2024:

	PD rate	LGD rate		ED		ECL
	a	***B***		***c***		***d=a*b*c***
Cash in banks	0%	0% - 93.23%	₱	29,228,894	₱	-
Trade and other receivables	45.95%	100%		39,434,372		16,011,236
			₱	**68,663,266**	₱	**16,011,236**

Cash in banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The club estimated the probability of default to be nil in both years.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 97.58% and 0.00% to 96.47% in 2025 and 2024, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade and Other Receivables

The Company determined the probability of default rate by considering the following: the schedules of collections for the past three years; the past, current, and forecast performance of each customer's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. In 2025 and 2024, the corresponding probability of default is estimated to be about 0.00% to 45.95% respectively, given the historical experience of the club in handling these customers' accounts, this is adjusted to current and forecast information.

Loss given default rate is 100% for all clients because the Company does not obtain collateral for these transactions.

Exposure at default is equal to the gross carrying amount of trade receivables.

The Company did not recognize additional provision for expected credit losses since the Management believed that amount is sufficient in 2025 and 2024. Allowance for expected credit losses as of December 31, 2025 and 2024 amounted to P16,011,236, as disclosed in Note 7.

25.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The

Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

December 31, 2025	Weighted Average Effective Interest Rate		On Demand		Within One (1) Year		One (1) to Five (5) Years		Total
Trade and other payables	-	₱	-	₱	**70,183,299**	₱	-	₱	**70,183,299**
Due to related parties	-		-		-		-		-
Loans payable	**10.00%**		-		**14,409,606**		**10,648,889**		**25,058,495**
		₱	-	₱	**84,592,905**	₱	**10,648,889**	₱	**95,241,794**
December 31, 2024									
Trade and other payables	-	₱	-	₱	72,003,239	₱	-	₱	72,003,239
Loans payable	10.00%		-		18,454,141		10,648,889		29,103,030
		₱	-	₱	90,457,380	₱	10,648,889	₱	101,106,269

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate		On Demand		Within One (1) Year		Total
December 31, 2025							
Cash on Hand		P	**145,000**	P	-	P	**145,000**
Cash in banks	**Floating rate**		**20,679,026**	P	-	P	**20,679,026**
Trade and other receivables – net	-		0		**30,811,335**		**30,811,335**
		₱	**20,824,026**	₱	**30,811,335**	₱	**51,635,361**
December 31,2024							
Cash on Hand		P	**105,000**	P	-	P	**105,000**

Cash in banks	**Floating rate**	P	29,228,894	P	-	P	29,228,894
Trade and other receivables – net	-		-		23,423,136		23,423,136
		₱	29,333,894	₱	23,423,136	₱	52,757,030

Item 4. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the club's financial assets and financial liabilities as of December 31, 2025 and 2024 are presented below:

		2025				**2024**		
		Carrying Amount		**Fair Value**		Carrying Amount		Fair Value
Financial Assets:								
Cash	₱	**20,824,026**	₱	**20,824,026**	₱	29,333,894	₱	29,333,894
Trade and other receivables		**30,811,335**		**30,811,335**		21,537,413		21,537,413
	₱	**51,635,361**	₱	**51,635,361**	₱	32,266,019	₱	32,266,019
Financial Liabilities:								
Trade and other payables	₱	**70,183,299**	₱	**70,183,299**	₱	72,003,239	₱	72,003,239
Loans Payable		**25,058,495**		**25,058,495**		29,103,030		29,103,030
	₱	**95,241,794**	₱	**95,241,794**	₱	101,106,269	₱	101,106,269

Due to demand feature of cash and short-term maturities of trade and other receivables, trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies) and due to related parties, Management believes that the fair values approximate the carrying amounts as of December 31, 2024 and 2023.

Loans payable are interest bearing. The interest rates approximate the market interest rates, hence, Management believes that the amortized cost approximates the fair value.

(vi.) Seasonal aspects

Higher patronage has been experienced during the vacation months, i.e., summer and Christmas. Patronage usually declines during the rainy season when patronage is usually limited to members who are residents or working in the Batangas area. The club expects the same to happen in the succeeding periods.

(vii) Indicators of Performance

With the new set up, the indicators of performance of the club aside from the monthly dues collections and saving measures for cost of electricity, there are other sources of revenues from golf and F&B operations. These will help the club to meet maturing short-term obligation as they fall due. The higher the membership dues and other revenue collections, the better for the club.

The club monitors the results of its operations and status of its *financial position* for each quarter of operation and the cumulative or year to date status of such indicators.

With regard to the *status of operations*, it computes the gross profit from regular operations and determines the gross profit margin which is the ratio of gross profit over revenues.

Based on the amounts presented in the statement of financial position, another indicator that can be computed is the *current ratio*, the basis of determining the ability of the Club's to meet maturing short-term obligation as they fall due. There was an increase in this ratio from *0:54*:1 at the end of the prior year to *0.64*:1 by the end of this year. Despite this slight decline, management expects that the Club will still be able to meet its maturing obligations as they fall due.

(viii) *Risk Factors*

The club is not exposed to market risks arising from changes or fluctuations in market rates and prices.

The club purchases its supplies as needed, and has no long-term supply contracts, hence, it does not face the risk that its contractual prices for its supplies are higher than market price. Although some of its supplies and equipment are imported, its exposure to foreign currency fluctuations is minimal as it makes importations only as needed.

The club faces some risk on its operations. Being an exclusive entity, the club depends primarily on its members, through their patronage of the facilities and their diligent and timely payment of membership dues. Patronage is, however, as shown above, is seasonal as not all members and their guests patronize the club all year-round. It is also affected by economic conditions as recreational activities are certainly the first activities that members will forgo in cases of financial difficulties. This is also reflected in less diligent payment of membership dues. Competition from the growing number of recreational facilities in the Laguna and Batangas areas also affect patronage.

The club manages these risks, however, by stepping up on its marketing efforts and encouraging members to bring in either individually or in groups, and to sponsor activities using the club's facilities, such as tournaments, banquets, corporate meetings and functions. The Club has also opened its facilities to both local and foreign tourists, particularly on weekdays where there are less number of members using the facilities.

Item 7. Financial Statements

The following are attached to this Report as marked:

Annex "A"	Audited Financial Statements for the years ending 31 December 2025 and 2024
Annex "B"	Audited Financial Statements for the years ending 31 December 2024 and 2023
Annex "B-1"	Statements of Operations for the years ending 31 December 2025 and 2024 indicating basic earnings/loss per common share.

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

1. There were no changes or disagreements with the independent accountant during the two most recent fiscal years to audit the club's financial statements. R.S. Bernaldo and Associates is the independent audit firm of the club in the two recent years, 2024 and 2023.

2. There were no disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which were not resolved.

External Audit Fees (MC No. 14 Series of 2004)

(a) *Audit and Audit-Related Fees:*

1). The following are the aggregate Audit and Audit-related Fees billed for each of the last two (2) fiscal years for professional services rendered by the external auditor for the audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years

2025	-	379,960.00
2024	-	347,760.00

For the year **2025**, total audit fee for the services rendered by the external auditors is **TWO HUNDRED NINETY FIVE THOUSAND PESOS ONLY (Php295,000.00),** exclusive of Value Added Tax amounting to **Forty Thousand Seven Hundred Ten Pesos Only** (**P40,710.00**) and exclusive of out-of-pocket expenses amounting to **Forty Four Thousand Two Hundred Fifty Pesos Only** (**Php44,250.00**). The out-of-pocket expenses shall be billed at 15% of the professional fee plus VAT as required under BIR Revenue Memorandum Circular No.89-2012.

For the year **2024**, total audit fee for the services rendered by the external auditors is **TWO HUNDRED SEVENTY THOUSAND PESOS ONLY (Php270,000.00),** exclusive of Value Added Tax amounting to **Thirty Seven Thousand Two Hundred Sixty Pesos Only** (**P37,260.00**) and exclusive of out-of-pocket expenses amounting to **Forty Thousand Five Hundred Pesos Only** (**Php40,500.00**). The out-of-pocket expenses shall be billed at 15% of the professional fee plus VAT as required under BIR Revenue Memorandum Circular No.89-2012.

During the year 2025 and 2024, in cases where the club's gross revenue is Php5,000,000.00 or more, the external auditor will also prepare the General Form for Financial Statements (GFFS), as required by the Securities and Exchange Commission (SEC), for an additional fee in the amount of Five Thousand Pesos Only (Php5,000.00), exclusive of Value- Added-Tax.

2). There were no other assurance and related services by the external auditors that are reasonably related to the performance of the audit or review of the club's financial statements. However, if there are reportable matters that come to the external auditors' attention, they will immediately bring them to the registrant's attention. The external auditors are willing to do special auditing procedures to such matters. The fees to be billed by the external auditors or to be paid by the registrant was not disclosed in the agreement.

b. Tax Fees : There were no other fees billed and paid in each of the last two (2) years of professional services rendered by the external auditor for the tax accounting, compliance and advise, planning and any other form of tax services. The filings of the club's annual income tax return for the year ended December 31, 2025 with the Bureau of Internal Revenue (BIR) and Audited Financial Statements with the Securities and Exchange Commission (SEC) are not yet included in the audit services and fees of P379,960.00 and P347,760.00, respectively for the years 2025 and 2024. Should the Club wishes to avail of that additional services, an additional fee of **FIVE THOUSAND PESOS ONLY** (Php5,000.00), exclusive of Value-Added-Tax, for each filing will be charged.

c. All Other Fees: There were no other fees billed and paid in the last two (2) years for services provided by the external auditor other than the services in items A and B above. For the last two years, the registrant didn't engage to other services other than the audit services provided by the external auditors, like consultations, planning and the like for the last two years.

PART II – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

(1) Directors and Officers.

The directors and officers of the club for the year and the period during which they have already served as such (i.e., figure presented in parentheses) are:

Antonio A. Turalba Sr[5]., 81, Filipino, Director, one year (1995 to present); Chairman, one year (2016-2017); Chairman & President, Active Group, Inc. (1998 to present);Chairman/Director, Active Realty & Dev't Corp. (1985 to present); and Principal, Turalba & Associates, an architectural firm (1985 to present).

Antonio V. Turalba, Jr., 59, Filipino, Director, (1995 to present); President & Chairman of the Board (February 27, 2025 to present)[6] Vice-President (2017-2019); Chairman, Membership Committee one year (1995 to present). Director, Active Group, Inc. (1998 to present); Director, President and Chief Executive Officer of Active Realty and Development Corporation (1985 to present).

Francis C. Laurel *, 78, Filipino, Director, one year (beginning September 2025 to present), President and CEO, Toyota Batangas.

Teodoro G. Salud, 84, Filipino**,** one year (September 2009-present). President, Salinas Realty & Business Corporation (1972 to present); President, Rural Bank of Salinas, Inc. (1980 to present); President, Ebdor Realty & Development Corp. (1990 to present); President, Sims Corporation (1983 to present); Director, Ardear Development & Realty Corp (1988 to present); Member, Alabang Country Club, Member, Tagaytay Highlands International Golf Club, Member, Eagle Ridge Golf & Country Club, Member, Riviera Golf and Country Club.

Raymund F. Diga,* , Filipino, Director, one year (September 2024 to present). Chief, Division of Pulmonary Medicine, May Mediatrix Medical Center.

Nicetas Katigbak, 78, Filipino, Director, one year (September 2006 to 2009; September 2012 to present). Chairman, Phil Abbatoir Dev. Corp.

Alejandro Palines Jr., 69, Director, Filipino, re-elected as Director for one-year (from, September 11, 2015) Batangas City Laboratory, Inc. (2010 to present); Chairman, Dept of Surgery/Batangas Regional Hospital (2007 to present); Visiting Consultant, St. Patrick's Hospital (1990 to present); Visiting Consultant, Jesus of Nazareth Hospital (2003 to present); Visiting Consultant, Golden Gate General Hospital (1990 to present).

Franklin Go *, 58, Filipino, Director for one-year (Beginning September 2025), Board of Director, Goldilocks Bakeshop Inc.

Joselito E. Tapay*, 67, Director, Filipino, one year (beginning September 2020). Director, JETBEST Multilines Corporation (1989 to present); Director, JT Moland Realty Development Corp. (2007 to present); Director, Malarayat Innovative Financing Corporation (2011 to present).

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[5] Deceased. Died January 27, 2025. Reported to the Commission (SEC 17-C) on February 3, 2025.

[6] Elected on February 27, 2025 by Spl. Meeting of the Board of Directors to serve in such capacity for the unexpired term of Antonio A. Turalba.

Pol Delos Santos*, Director, Filipino, one year (beginning September 2024). Officer-in-Charge at Regional Director's Office Region XIII, Department of Public Works and Highways.

Jose Antonio L. Turalba 29**,** Filipino, Director, one year (beginning September 2021), Executive Vice-President (February 2025 to present);[7] Director, Active Realty Development Corporation, Director, Active Land Estate Sales Inc., Director, Active Construction Inc., and VP for Business Development.

Victor N. Alimurong, 80**,** Filipino, Corporate Secretary (1995 to September 2004). Partner, Siguon Reyna Montecillo Ongsiako Law Offices. Directorship positions in various companies: Coastal Subic Bay Terminal, Inc., Freight Management Worldwide Services, Inc., ASSAB Steel Philippines, Inc., Kerry Food Ingredients (Phils.), Inc. and Kerry Food Ingredients (Cebu), Inc.

Alejo S. Dimailig, 60, Filipino, Assistant Corporate Secretary, (March 2012 to present),. Founding &Managing Partner, Katigbak Dimailig & Kahayon Law Offices; holds Directorship and Corporate Secretarial positions in various companies; Bachelor of Laws (Ll.B.) San Beda University (1992); Admitted to the Roll of Attorneys in 1993 (No. 38231); Lifetime Member, Integrated Bar of the Phils. – Makati Chapter

Romeo V. Garcia, 68, Filipino, Compliance Officer, one year (2020-2021); General Manager (appointed June 4, 2016 to present), served as Resident Executive Assistant to the President and Chairman of the Club for 8 years (from March 2008 to June 3, 2016); Purchasing Manager from 1998 to February 2008.

Independent Directors (in asterisk [*] above)

Among the 11 directors, five (5) are independent directors, namely Francis Laurel, Joselito Tapay, Pol Delos Santos, Franklin Go and Raymund Diga. They constitute more than 20% of the 11-member Board of Directors. All the independent directors have submitted the *pro forma* sworn Certificates of Qualification (attached to SEC 20-IS).

All the above-named independent directors own at least one (1) Gold A share of stock each and are also not shareholders of any related or affiliated company or any of its substantial shareholders. They are also not officers of the club (other than directors) and have not been employed or retained as executive officer or professional adviser. They are also not relatives of any director or officer nor engaged in any business or transaction with the club or its related companies.

Most of the incumbent directors (including independent directors) for the period covered by this report were elected during the last annual meeting of stockholders.

Except directors Pol Delos Santos, Franklin Go, and Jose Antonio L. Turalba, all the incumbent directors have attended the seminar on corporate governance in keeping with its commitment and compliance with the monitoring requirements of the Commission.

(2) Significant Employees

Mr. Romeo V. Garcia[8], the Club's General Manager/Chief Operating Officer (COO) is expected to make a significant contribution to club's daily operations.

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[7] Ibid.,

[8] Retired as of August 2023 but continues to perform the same role under a different contract as approved by the Board.

(2) *Family Relationships*

Maria Cristina V. Turalba, Antonio Valera. Turalba, Jr., Chairman and President; and Jose Antonio L. Turalba, Executive Vice-President belongs to same family who hold the majority interest in ARDC, the majority stockholder in the Club.

(3) *Involvement in Certain Legal Proceedings*

The Club is not involved in legal proceedings during the period covered by this report or has no knowledge or information of any bankruptcy proceedings filed by or against any of the business of which any of the foregoing Director, Independent Director or Executive Officers acted as general partner or executive officer of such business during the club's two (2) most recent fiscal years prior to this report.

Item 10. Executive Compensation

The members of the board of directors and executive officers named above do not receive compensation for services rendered to the club. They are, however, entitled to reasonable discounts in the club dues and assessments, F&B and vouchers (which they can use as green fee/s and entitlement to stay at the club hotel or as gift to friends or relatives) for their attendance in board meetings and other non-monetary benefits during their incumbency as members of the Board.

All other executive officers named above do not received compensation in the amount required to be reported under the rules.

Item 11. Security Ownership of Certain Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners (more than 5%)

(1) Title of class	(2) Name, address of record owner relationship w/ issuer	(3) Name of Beneficial & Relationship w/ Record Owner	(4) Citizenship	(5) No of	(6) % . shares class
Common-Gold	Active Realty & Development Corp. 14th Floor ACT Tower 135 Sen. Gil Puyat Ave. Makati City *Developer of the facilities of the issuer	same as record owner	Filipino	1,144	57.20%
Common-Silver	-same-			1,940	97.00%

The ARDC is a wholly-owned subsidiary of the Active Group, Inc. For a list of the owners/shareholders of Active Realty and Development Corporation and Active Group, Inc., the same may be made available upon request.

b) Security ownership of management

(1) Title of class	(2) Name of beneficial Owner	(3) Amount & nature of beneficial ownership	(4) Citizenship	(5) % of class
Gold A	Antonio A. Turalba Sr.	22	Filipino	1.10%
Gold A	Antonio V. Turalba Jr.	4	Filipino	0.20%
Gold A	Teodoro G. Salud	5	Filipino	0.25%
Silver A	Teodoro G. Salud	4	Filipino	0.20%
Gold A	Other Directors & Officers	13	Filipino	0.65%

The percentages are rounded off indicated as a group

c) Voting trust holders of 10% or more

No voting trust holders of 10% or more of common shares.

d) Change in control

There are no arrangements which may result in change of control. There has been no change in the control since the beginning of its fiscal year.

Item 12. Certain Relationships and Related Transactions

With the Board approval, the club entered into related party agreements with AVT Properties, Inc., ATF Property Management Inc., Culinary Adventures, Inc. and ARDC, the latter being the majority stockholder in the Club. Ms. Anjeannete T. Fuentebella, the President of AVTPI and APMI and Antonella T. Abdon, President of Culinary Adventures, Inc. are the children of the late Founding Chairman Antonio Asperilla Turalba and Maria Cristina V. Turalba. Ms. Fuentebdella and Ms. Abon, have since APMI took over the operation and maintenance of the country club, club hotel, the Suites and golf operations, while Ms. Abdon started to operate the F&B in the club, have resigned as member of the Board of Directors of the club. Mr. Jose Antonio L. Turalba, Director/Executive Vice-President, is the grandson of the of the Founding Chairman Antonio Asperilla Turalba and the son of newly-elected Chairman and President, Antonio Valera Turalba.

PART IV – CORPORATE GOVERNANCE

Except directors Pol Delos Santos, Wildy Tan, Antonio Fleta and Jose Antonio L. Turalba, all the incumbent directors have attended the seminar on corporate governance in keeping with its commitment and compliance with the monitoring requirements of the Commission.

PART V- EXHIBITS AND SCHEDULES

Item 13. Exhibits

(a) Exhibits

(b) The following are attached to this Report as marked:

Annex "A"	Audited Financial Statements for the years ending 31 December 2025 and 2024
Annex "B"	Audited Financial Statements for the years ending 31 December 2024 and 2023
Annex "B-1"	Statements of Operations for the years ending 31 December 2025 and 2024 indicating basic earnings/loss per common share

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulations 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 May 15, 2026.

By:

ANTONIO V. TURALBA JR.
Chairman and President

LEA V. LLANES
Finance Officer

SUBSCRIBED AND SWORN to before me this MAY 15 2026 affiant(s) being personally known to me and in my presence have avowed under the penalty of law as to the truth of the foregoing statements.

Name	Tax Identification Number / Evidence of Identity
Antonio V. Turalba Jr.	TIN: 143-015-527 / PP# P9472310A
Lea V. Llanes	TIN: 921-909-559/ SSS# 04-1094174-6

Doc. No. 191;
Page No. 40;
Book No. 4;
Series of 2026.

ATTY. MARIETA BAROJA IGARTA
NOTARY PUBLIC
NC No. 2025-0025 Until December 31, 2027
116 Tanco Drive, Marawoy, Lipa City, Batangas
PTR No. 6857132; 01/05/2026 Lipa City
IBP Life Member No. 04827; Roll of Attorney No. 25111
MCLE Compliance No. VIII-0017186

Mount Malarayat Golf and Country Club, Inc.
Form 17-A, for year ending 12/31/2025

Republic of the Philippines)
LIPA CITY)

CERTIFICATION

I, **ROMEO V. GARCIA JR.**, Compliance Officer of Mount Malarayat Golf & Country Club, Inc. with SEC Registration No.AS0953557 with principal office address at Barangay Dagatan, Lipa City, Batangas, under oath depose and state:

1) That on behalf of Mount Malarayat Golf and Country Club, Inc., I have caused this SEC Form 17-A (Annual Report) to be prepared;

2) That I read and understood its contents which are true and correct of my personal knowledge and/or based on true records;

3) That the Mount Malarayat Golf and Country Club, Inc. will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and

4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this MAY 13 2026.

ROMEO V. GARCIA JR.
Affiant

SUBSCRIBED AND SWORN to before me, this MAY 13 2026 Notary Public for and in the City of LIPA CITY, Philippines, affiant being personally known to me and in my presence avowed under penalty of law, to the whole truth of the contents of this Certification.

Doc. No. 115;
Page No. 23;
Book No. XXXVIII
Series of 2026.

ATTY. KATRINA M. RAMOS
Notary Public for Lipa, Cuenca, M. Kahoy & Padre Garcia, Batangas
Antipolo del Sur, Lipa City
N.C. No. 2024-[illegible] Until Dec. 31, 2026
Roll of Attorneys No. 93134
IBP No. 580377 12/31/2025(for 2026)
PTR No. 6857202 01/03/2026 Lipa City
MCLE Compliance No. VIII-0015761
Email Address: atty.kat630@gmail.com

ANNEX "A"

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	5	0	0	3	5	5	7		

Company Name

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

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

BARANGAY DAGATAN, LIPA CITY, BATANGAS

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
kdkcorpo.sec@gmail.com	8756-7000	09175257080

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
780	September 19	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ROMEO V. GARCIA	argy.garcia@malarayat.com	(043)8756-7003	N/A

Contact Person's Address

BRGY. DAGATAN, LIPA CITY, BATANGAS

***Note** : 1: In case of death, resgination 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.

MOUNT MALARAYAT
Golf & Country Club

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 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 Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

R.S. Bernaldo & Associates, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ANTONIO V. TURALBA, JR.
Chairman of the Board/President

TEODORO G. SALUD
Treasurer

Signed this ____ day of _______ 2026.

SUBSCRIBED AND SWORN to before me this MAY 06 2026 day of _________ 2026 affiants exhibiting to me their respective Tax Identification Number (TIN), as follows:

Name	TIN
ANTONIO V. TURALBA, JR.	**143-015-527-000**
TEODORO G. SALUD	**192-224-519-000**

Doc. No. 82;
Page No. 18;
Book No. 4;
Series of 2026

ATTY. MARIETA BAROJA IGARTA
NOTARY PUBLIC
NC No. 2025-0025 Until December 31, 2027
116 Tanco Drive, Marawoy, Lipa City, Batangas
PTR No. 6857132; 01/05/2026 Lipa City
IBP Life Member No. 04827; Roll of Attorney No. 25111
MCLE Compliance No. VIII-0017186

PKF
R.S. Bernaldo & Associates

R.S. Bernaldo & Associates
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Tower 1, 156 H.V. dela Costa St.,
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 audits 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 auditors' 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 auditors' 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations Nos. 15-2010, 19-2011, and 34-2020 in Note 30 to the financial statements, is presented for purposes of filing with Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013-AF
Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
BSP Group B Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Group A Accreditation No. IC-EA-2025-0061-R
Valid until 2027 audit period
PTR No. 10780861
Issued on January 20, 2026 at Makati City

May 6, 2026

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024
(In Philippine Peso)

	NOTES	**2025**	2024
A S S E T S			
Current Assets			
Cash	6	**20,824,026**	29,333,894
Trade and other receivables – net	7	**32,542,514**	24,464,527
Prepayment and other current assets	8	**9,944,357**	10,423,378
		63,310,897	64,221,799
Non-current Asset			
Property and equipment – net	9	**1,083,733,031**	1,105,816,550
TOTAL ASSETS		**1,147,043,928**	1,170,038,349
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	10	**84,352,397**	82,064,706
Loans payable	11	**14,409,606**	18,454,141
		98,762,003	100,518,847
Non-current Liabilities			
Loans payable – net of current portion	11	**10,648,889**	10,648,889
Retirement benefit obligation	18	**510,737**	296,446
Deferred tax liability	20	**1,455**	8,632
		11,161,081	10,953,967
TOTAL LIABILITIES		**109,923,084**	111,472,814
S T O C K H O L D E R S' E Q U I T Y			
Capital Stock	13	**1,940,578,294**	1,940,578,294
Deficits		**(903,084,208)**	(881,774,273)
Remeasurements	18	**(373,242)**	(238,486)
TOTAL STOCKHOLDERS' EQUITY		**1,037,120,844**	1,058,565,535
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**1,147,043,928**	1,170,038,349

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2025, 2024 and 2023
(In Philippine Peso)

	NOTES	**2025**	2024	2023
REVENUE	14	**307,476,839**	311,878,121	259,324,818
DIRECT COSTS	15	**220,120,142**	204,975,953	162,712,629
GROSS PROFIT		**87,356,697**	106,902,168	96,612,189
OTHER INCOME	16	**25,388**	53,738	23,303
		87,382,085	106,955,906	96,635,492
OPERATING EXPENSES	17	**103,360,696**	106,999,805	95,995,402
FINANCE COST	11	**3,590,676**	1,919,041	2,172,778
LOSS BEFORE TAX		**(19,569,287)**	(1,962,940)	(1,532,688)
INCOME TAX EXPENSE	19	**1,740,648**	2,144,656	1,449,619
LOSS		**(21,309,935)**	(4,107,596)	(2,982,307)
OTHER COMPREHENSIVE LOSS				
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:				
Remeasurements	18	**(134,756)**	(30,114)	(1,050,848)
TOTAL COMPREHENSIVE LOSS		**(21,444,691)**	(4,137,710)	(4,033,155)
BASIC AND DILUTED LOSS PER SHARE	23	(5,327)	(1,027)	(746)

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

(A Stock, Non-Profit Corporation)

STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2025, 2024 and 2023

(In Philippine Peso)

	Notes	Capital Stock	Deficits	Remeasurements	Total
Balance at January 1, 2023	13,18	1,940,578,294	(874,684,370)	842,476	**1,066,736,400**
Loss			(2,982,307)		**(2,982,307)**
Other comprehensive loss	18			(1,050,848)	**(1,050,848)**
Balance at December 31, 2023	13,18	**1,940,578,294**	**(877,666,677)**	**(208,372)**	**1,062,703,245**
Loss			(4,107,596)		**(4,107,596)**
Other comprehensive loss	18			(30,114)	**(30,114)**
Balance at December 31, 2024	13,18	**1,940,578,294**	**(881,774,273)**	**(238,486)**	**1,058,565,535**
Loss			(21,309,935)		**(21,309,935)**
Other comprehensive loss	18			(134,756)	**(134,756)**
Balance at December 31, 2025	13,18	**1,940,578,294**	**(903,084,208)**	**(373,242)**	**1,037,120,844**

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025, 2024 and 2023
(In Philippine Peso)

	NOTES	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(19,569,287)**	(1,962,940)	(1,532,688)
Adjustments for:				
Depreciation	9,15,17	**36,895,801**	34,555,483	30,879,988
Finance costs	11	**3,590,676**	1,919,041	2,172,778
Retirement benefits	18	**79,535**	60,257	425,313
Unrealized foreign exchange gain	6,16	**(5,820)**	(34,529)	(8,781)
Finance income	6,16	**(19,568)**	(19,209)	(14,522)
Operating changes in working capital		**20,971,337**	34,518,103	31,922,088
Increase in operating assets:				
Prepayment and other current assets		**(1,268,804)**	(238,240)	(5,796,223)
Trade and other receivables		**(8,077,987)**	(8,242,568)	(3,546,950)
Increase in trade and other payables		**2,287,691**	13,990,954	24,938,756
Cash generated from operations		**13,912,237**	40,028,249	47,517,671
Retirement benefits paid	18	**-**	-	(4,262,500)
Net cash from operating activities		**13,912,237**	40,028,249	43,255,171
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	6,16	**19,568**	19,209	14,522
Additions to property and equipment	9	**(14,812,282)**	(32,835,331)	(34,849,371)
Net cash used in investing activities		**(14,792,714)**	(32,816,122)	(34,834,849)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans availment	11,12	**20,000,000**	29,200,000	5,000,000
Payments to related parties	12	**-**	-	(4,592,815)
Finance costs paid	11,12	**(3,590,676)**	(4,303,994)	(3,868,431)
Repayments of loans payable	11,12	**(24,044,535)**	(13,537,374)	(13,287,375)
Net cash from (used in) financing activities		**(7,635,211)**	11,358,632	(16,748,621)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	6,16	**5,820**	34,529	8,781
NET INCREASE (DECREASE) IN CASH		**(8,509,868)**	18,605,288	(8,319,518)
CASH AT BEGINNING OF YEAR		**29,333,894**	10,728,606	19,048,124
CASH AT END OF YEAR		**20,824,026**	29,333,894	10,728,606

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

(A Stock, Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2025 and 2024 and for each of the
Three Years ended December 31, 2025

1. CORPORATE INFORMATION

Mount Malarayat Golf & Country Club, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on April 7, 1995, as a stock, non-profit corporation. The Company was organized primarily to promote social, recreational and athletic activities on a non-profit basis among its stockholders, the core of which will be the acquisition and maintenance of a golf field course and other similar facilities.

The Company is 78.95% owned by Active Realty and Development Corporation (ARDC), a domestic corporation, and 21.05% owned by Filipino individuals.

The Company's registered office and business operation address is located at Barangay Dagatan, Lipa City, Batangas.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS) Accounting Standards. The term "PFRS Accounting Standards" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS Accounting Standards prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRS Accounting Standards Applied with No Material Effect on the Financial Statements

The following new and revised PFRS Accounting Standards have also been adopted in these financial statements. The application of these new and revised PFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

  The amendments cover the following areas:

  - Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
  - Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
  - Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

2.02 New and Revised PFRS Accounting Standards in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS Accounting Standards, to have significant impact on the financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments cover the following areas:

  - Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.

- Classification of financial assets:
    - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
    - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
    - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards*—Volume 11 relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments.*
- PFRS 7, *Financial Instruments: Disclosures*
    - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.

- Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.

- Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

➢ PFRS 9, *Financial Instruments*

- Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

- Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.

➢ PFRS 10, *Consolidated Financial Statements, Determination of a 'de facto agent'* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

➢ PAS 7, *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services.

Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.'

PFRS 17 is effective for annual periods beginning on or after January 1, 2027. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2030, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

  The amendments cover the following areas:

  - Insurance acquisition cash flows for renewals outside the contract boundary;
  - Reinsurance contracts held—onerous underlying insurance contracts;
  - Reinsurance contracts held—underlying insurance contracts with direct participation features; and
  - Recognition of the contractual service margin in profit or loss in the general model.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of financial statements.

  PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS Accounting Standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards.

An entity may elect to apply the PFRS 19 if at the end of reporting period:

- It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
- It does not have public accountability; and
- It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS Accounting Standards.

An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

2.02.02 Deferred

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

The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.01 Statement of Compliance

The financial statements have been prepared in conformity with PFRS Accounting Standards, and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

3.02 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Company operates (the "functional currency").

The Company chose to present its financial statements using its functional currency.

3.03 Current and Non-Current Presentation

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

4.01.01 Initial Recognition and Measurement

The Company recognizes a financial asset in its statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

4.01.02 Classification

➢ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortized costs include cash in banks and trade and other receivables (except advances to officers and employees).

a) Cash in Banks

Cash in banks pertain to cash deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade and Other Receivables

Trade and other receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company has neither financial assets measured at fair value through other comprehensive income nor through profit or loss in both years.

4.01.03 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.01.04 Impairment

The Company measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the following approaches in accounting for impairment.

- General Approach

  The Company applies general approach to cash in banks and other receivables. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

  The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP rate, interest rate, and inflation rate; the status of counterparties' industry; and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

  The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

  The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

  The Company did not apply the 30 days past due rebuttable presumption because based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

  If the Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

  The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Company performs the assessment of significant increases in credit risk on an individual basis.

The Company applies the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since for those members who are delinquent for more than 90 days and with more than ₱100,000, the Management will assess if the said shares of the members will be subjected for write-off.

The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➢ Simplified Approach

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Members or playing rights holders on the delinquent list for more than 90 days shall be reported to the Board and their shares or the shares of the judicial entities they represent shall thereafter be ordered sold by the Board at auction.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.01.05 Derecognition

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.02 Prepayments

Prepayment represents expenses not yet incurred but already paid in cash. This is initially recorded as asset and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayment is classified in the statements of financial position as current assets when the expenses related to prepayment are expected to be incurred within one (1) year or the Company's normal operating cycle whichever is longer. Otherwise, prepayment are classified as non-current asset.

4.03 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Golf and country clubhouse	50 years
Golf course and land improvements	50 years
Furniture, fixtures and equipment	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising |from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.04 Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that any assets other than financial assets that are within the scope of PFRS 9, *Financial Instruments,* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as an income.

4.05 Financial Liabilities

4.05.01 Initial Recognition and Measurement

The Company recognizes financial liability in its statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.05.02 Classification

The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Company's financial liabilities consists of trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies), due to related parties and loans payable.

The Company does not have financial liability measured at fair value through profit or loss in both years.

4.05.03 Derecognition

The Company removes a financial liability (or part of a financial liability) from its statements of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or has expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.06 Unearned Revenue

Unearned revenue arises from payments received for the services not yet rendered by the Company. These are initially measured at the amount of cash received. Subsequently, the Company will record revenue upon performance of the service.

4.07 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.08 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity.

4.09 Employee Benefits

4.09.01 Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term employee benefits given by the Company to its employees include salaries and wages and other employee benefits which include SSS, PHIC and HDMF premium contributions, food subsidy and employee discounts.

4.09.02 Post-employment Benefits

The Company has unfunded and noncontributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one (1) or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit liability. Remeasurements which include cumulative actuarial gains and losses, are recognized directly in other comprehensive income and is also presented under equity in the statements of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

The retirement benefit obligation recognized in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by an actuary using the PUCM. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit obligation.

4.10 Revenue Recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.10.01 Performance Obligations Satisfied Over Time

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, when the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

Revenue is derived from membership dues, sports club, restaurant operations, hotel operations, playing rights and transfer fees.

4.11 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase in liability has arisen that can be measured reliably.

4.12 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions apply:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly controlled by the person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.13 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.13.01 Current Tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.13.02 Deferred Tax

Deferred tax is recognized as temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused excess MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.13.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.14 Basic Earnings (Loss) per Share

The Company computes its basic earnings (loss) per share by dividing net income or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.15 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Note 2.01 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Company's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

5.01.01 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation upon giving the right to the members to access and use the club's amenities, which could occur over time.

Revenue is derived from membership dues, sports club, restaurant operations, hotel operations, playing rights and transfer fees. The Company recognizes revenue over time, this is when the clients simultaneously receive and consume the benefits provided by the Company's performance as the Company performs.

In 2025, 2024 and 2023, revenue earned from operations amounted to ₱307,476,839, ₱311,878,121 and ₱259,324,818, respectively, as disclosed in Note 14.

5.01.02 Assessment of the Transaction Price and the Amounts Allocated to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price is not applicable since membership dues and service charge for golf, hotel, and food and beverages operations have one performance obligation each.

5.01.03 Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest that are consistent with basic lending arrangement. The carrying amounts of financial assets measured at amortized costs amounted to ₱51,490,361 and ₱52,652,030 as of December 31, 2025 and 2024, respectively, as disclosed in Note 25.02.

5.01.04 Assessment of 30 days Rebuttable Presumption

An entity determines when a significant increase in credit risk occurs on its financial assets based on the credit management practice of the entity.

Management believes that the 30 days rebuttable presumption is not applicable since based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.05 Assessment of 90 days Rebuttable Presumption

The Company determines when a default occurs on its financial assets based on the credit management practice of the Company.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is applicable since for those members who are delinquent for more than 90 days and with more than ₱100,000, Management will assess if the said shares of the members will be subjected for write-off.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Company's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of: a significant change in how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date.

The useful lives of the Company's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The Company uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Company expects to consume an asset's future economic benefits, the Company shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there were no changes from the previous estimates since the most recent annual reporting period. As of December 31, 2025 and 2024, the carrying values of depreciable property and equipment are ₱644,409,715 and ₱666,493,234, respectively, as disclosed in Note 9.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of advances to officers and employees presented under 'trade and other receivables', prepayment and other current asset and property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

In both years, Management believes that there were no impairment indicators present in its advances to officers and employees presented under 'trade and other receivable', prepayments and other current asset and its property and equipment. As of December 31, 2025 and 2024, the aggregate carrying amounts of the aforementioned assets amounted to ₱1,095,408,566 and ₱1,117,291,319, respectively, as disclosed in Notes 7, 8 and 9.

5.02.03 Non-recognition of Deferred Tax Assets

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to expiration.

In both years, the Management believes that the Company will not be able generate future taxable profits to allow all or part of its deferred tax assets to be utilized prior to expiration, hence the Company did not recognize deferred tax assets. Amounts of deferred tax assets not recognized as of December 31, 2025 and 2024 are ₱16,899,868 and ₱16,003,292, respectively, as disclosed in Note 20.

5.02.04 Estimating Allowance for Expected Credit Losses of Financial Assets

The Company evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience, available financial information, and current and forecast macro-economic information

The Company uses credit ratings, the performance of banking industry, macro-economic and banks' financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the estimated expected credit loss on cash in banks is nil in both years.

Management estimates the proportion of the financial assets that have experienced a significant increase in credit risk using general information and calculate expected credit losses on that basis. A number of qualitative and quantitative factors may be considered to adjust the allowance for credit losses to reflect a more considerable value. This includes behavior of the collection of receivables and financial status of the members that considers the past events and current members' capacity, respectively. To measure the expected credit losses, the Company uses three (3) components for calculations, the probability of default, the loss given default, and the exposure at default as disclosed in Note 25.02.

The Management believes that there was no significant change in credit quality and the amounts are still considered recoverable. Hence, no additional allowance for expected credit loss was recognized in 2025 and 2024. As of December 31, 2025 and 2024, allowance for expected credit losses amounted to ₱16,011,236 as disclosed in Notes 7 and 25.02.

As of December 31, 2025 and 2024, the carrying amounts of financial assets measured at amortized costs amounted to ₱51,490,361 and ₱52,652,030 respectively, as disclosed in Note 25.02.

5.02.05 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS Accounting Standards, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Club believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

Retirement benefits amounted to ₱79,535, ₱60,257, and ₱425,313, in 2025, 2024 and 2023, respectively, as disclosed in Note 18. As of December 31, 2025 and 2024, retirement benefit obligation amounted to ₱510,737 and ₱296,446, respectively, as disclosed in Note 18. Remeasurement loss amounting to ₱134,756, ₱30,114, and ₱1,050,848 were recognized in other comprehensive income for the years ended December 31, 2025, 2024 and 2023, respectively, as disclosed in Note 18.

6. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and cash in banks.

Cash at the end of each reporting period as shown in the statements of cash flows can be reconciled to the related item in the statements of financial position as follows:

		2025		2024
Cash on hand	₱	**145,000**	₱	105,000
Cash in banks		**20,679,026**		29,228,894
	₱	**20,824,026**	₱	29,333,894

Cash in banks earn interest at floating rate based on daily bank deposit. Finance income earned from bank deposit amounted to P19,568, ₱19,209 and ₱14,522 in 2025, 2024 and 2023, respectively, as disclosed in Note 16. In 2025, 2024, and 2023, unrealized foreign exchange gain amounted to ₱5,820, ₱34,529, and ₱8,781, respectively, as disclosed in Note 16.

7. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

		2025		2024
Trade	₱	**42,271,946**	₱	38,522,774
Allowance for expected credit losses (Note 25)		**(16,011,236)**		(16,011,236)
		26,260,710		22,511,488
Advances to officers and employees		**1,731,178**		1,041,391
Others		**4,550,626**		911,648
	₱	**32,542,514**	₱	24,464,527

Trade pertains to receivables from members for their privilege to use the amenities of the Golf Club and receivable from security, credit cards and others. Receivable from credit cards are payments through credit card by customers to be credited directly to the Company's bank account. The average credit period is 90 days.

Management believes that there was no significant change in credit quality and the amounts are still considered recoverable. Hence, no additional allowance for expected credit loss was recognized in 2025 and 2024.

Others pertain to the receivable from hotel, food and beverages operations of the Company with Mount Malarayat Residential and Home Owners Association, Inc. (MMRHAI) and clients.

Aging of accounts that are past due but not impaired is as follows:

		2025		2024
1 – 30 days	₱	**10,247,962**	₱	11,349,574
31 – 90 days		**1,028,001**		2,106,821
Over 90 days		**24,162,315**		9,966,741
	₱	**35,438,287**	₱	23,423,136

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

8. PREPAYMENT AND OTHER CURRENT ASSET

The details of the Company's prepayment and other current asset are shown below:

		2025		2024
Prepaid tax	₱	**9,914,383**	₱	10,331,456
Excess tax credits		**29,974**		91,922
	₱	**9,944,357**	₱	10,423,378

Prepaid tax pertains to advance payment for real property tax.

Excess tax credits represents taxes paid in advance that will be applied against company's future tax liabilities.

9. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment as of December 31, 2025 and 2024 are as follows:

	Land	Golf and Country Clubhouse	Golf Course and Land Improvements	Furniture, Fixtures and Equipment	Total
January 1, 2024					
Cost	₱ 439,323,316	₱ 699,827,501	₱ 895,569,907	₱ 101,872,439	₱ **2,136,593,163**
Accumulated depreciation	-	(337,149,283)	(603,425,199)	(88,481,979)	**(1,029,056,461)**
Carrying amount	**439,323,316**	**362,678,218**	**292,144,708**	**13,390,460**	**1,107,536,702**
Movements during 2024					
Balance, January 1	439,323,316	362,678,218	292,144,708	13,390,460	**1,107,536,702**
Additions	-	14,184,493	10,407,920	8,242,918	**32,835,331**
Depreciation	-	(14,279,299)	(14,905,854)	(5,370,330)	**(34,555,483)**
Balance at December 31, 2024	**439,323,316**	**362,583,412**	**287,646,774**	**16,263,048**	**1,105,816,550**
December 31, 2024					
Cost	439,323,316	714,011,994	905,977,827	110,115,357	**2,169,428,494**
Accumulated depreciation	-	(351,428,582)	(618,331,053)	(93,852,309)	**(1,063,611,944)**
Carrying amount	**439,323,316**	**362,583,412**	**287,646,774**	**16,263,048**	**1,105,816,550**
Movements during 2025					
Balance, January 1	439,323,316	362,583,412	287,646,774	16,263,048	**1,105,816,550**
Additions	-	6,915,089	2,525,284	5,371,909	**14,812,282**
Depreciation	-	(14,399,504)	(15,690,368)	(6,805,929)	**(36,895,801)**
Balance at December 31, 2025	**439,323,316**	**355,098,997**	**274,481,690**	**14,829,028**	**1,083,733,031**
December 31, 2025					
Cost	439,323,316	720,927,083	908,503,111	115,487,266	**2,184,240,776**
Accumulated depreciation	-	(365,828,086)	(634,021,421)	(100,658,238)	**(1,100,507,745)**
Carrying amount	₱ **439,323,316**	₱ **355,098,997**	₱ **274,481,690**	₱ **14,829,028**	₱ **1,083,733,031**

All additions in 2025, 2024 and 2023 amounting to ₱14,812,282, ₱32,835,331 and ₱34,849,371 were paid in cash.

Depreciation is allocated as follows:

		2025		2024		2023
Direct costs (Note 15)	₱	**27,671,851**	₱	25,916,612	₱	23,159,991
Operating expenses (Note 17)		**9,223,950**		8,638,871		7,719,997
	₱	**36,895,801**	₱	34,555,483	₱	30,879,988

In both years, Management believes that there is no indication of impairment that has occurred to its property and equipment.

10. TRADE AND OTHER PAYABLES

This account consists of the following:

		2025		2024
Trade	₱	**64,552,894**	₱	68,856,615
Unearned revenue		**9,660,289**		6,921,347
Trust fund for sports and games ties		**2,726,911**		828,825
Accrued expenses		**2,714,979**		546,203
Payable to regulatory agencies		**1,781,898**		2,311,295
Event deposits		**1,749,536**		1,332,066
Christmas pledge payable		**1,134,959**		1,061,219
Others		**30,931**		207,136
	₱	**84,352,397**	₱	82,064,706

Trade account consists mainly of payable to suppliers of goods and services for the operating requirements of the Company.

The average credit period on purchases of certain goods from suppliers is 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Unearned revenue pertains to the advance payment of foreign tourists for green fees.

Trust funds for sports and games ties include advances made by the members that will be used for tournaments for the year.

Event deposits pertain to advance deposits that cover functions and events that are waiting for liquidation.

11. LOANS PAYABLE

The details of the Company's loans payable are shown below:

		2025		2024
Current	₱	**14,409,606**	₱	18,454,141
Non-current		**10,648,889**		10,648,889
	₱	**25,058,495**	₱	29,103,030

Movements of the loans are as follows:

		2025		2024
Balance, January 1	₱	**29,103,030**	₱	13,440,404
Availments		**20,000,000**		29,200,000
Repayments		**(24,044,535)**		(13,537,374)
Balance, December 31	₱	**25,058,495**	₱	29,103,030

In 2025, 2024 and 2023, the Company availed several interest-bearing loans amounting to ₱20,000,000, ₱29,200,000 and ₱5,000,000, respectively, from Company's key management personnel, as disclosed in Note 12, for future developments such as renovation of club facilities, clubhouses and golf courses, all of which are unsecured and unguaranteed. The average payment period of a loan is from one (1) to five (5) years at an average imputed interest rate of 10% per annum.

In 2025, 2024 and 2023, the Company incurred finance cost amounting to ₱3,590,676, ₱1,919,041 and ₱2,172,778, respectively.

Finance costs paid on loans amounted to ₱3,590,676, ₱4,303,994 and ₱3,868,431 in 2025, 2024 and 2023, respectively, as disclosed in Note 12.

In 2025, 2024 and 2022, repayments of loans amounted to ₱24,044,535, ₱13,537,374 and ₱13,287,375, respectively, as disclosed in Note 12.

No ratios and threshold are required to be maintained related to the loans.

As of December 31, 2025 and 2024, the Company has complied with all the requirements and has no default payments.

12. RELATED PARTY TRANSACTIONS

Nature of relationship of the Company and its related parties are disclosed below:

Related Parties	Nature of Relationship
AVT Properties Inc. (AVTPI)	Under Common Control
Active Realty and Development Corporation (ARDC)	Under Common Control
ATF Property Management Inc. (APMI)	Under Common Control
Stockholders	Key Management Personnel

Balances and transactions between the Company and its related parties are disclosed below:

12.01 Due to Related Parties

12.01.01 Under Common Control

Transactions with related parties under common control are as follows:

	December 31, 2025		December 31, 2024	
	Amounts/ Volume	**Outstanding Balance**	Amounts/ Volume	Outstanding Balance
ARDC				
Playing Rights	**14,691,626**	**-**	-	-
APMI				
Concessionary fee	**26,397,321**	**-**	23,571,429	**-**
Direct costs	**41,093,627**	**-**	35,600,222	**-**
	₱ 67,490,948	**₱ -**	₱ 59,171,651	₱ -

In 2025, 2024 and 2023, payment of advances from related parties amounted to nil, nil and ₱4,592,815, respectively.

In 2024, advances to ARDC amounting to ₱6,158,192 were settled through offsetting against the payment for auctioned shares, as disclosed in Note 27.

In 2025, ARDC, a related party, holds playing rights under sports club amounted to ₱14,691,626. The Company incurs charges from ARDC related to the use of these rights, which are recognized as direct costs as disclosed in Note 15.

The concessionary fee from APMI refers to the fee for operating and maintaining the hotel, country club and facilities of the Company.

Aside from share in gross revenue, the Company also pays APMI the direct cost fee which refers to the cost of services such as arranging events, tournaments or other services aside from operating and maintaining the hotels and country club. These costs are billed by APMI to the Company monthly, as disclosed in Note 15.

In 2025, 2024 and 2023, APMI billed the Company on the costs related to the sports club amounting to ₱38,022,106, ₱33,145,733 and ₱31,723,967, respectively, as disclosed in Note 15.

In 2025, 2024 and 2023, APMI billed the Company on the costs related to the hotel operations amounting to ₱22,593,842, ₱22,241,474 and ₱16,286,668, respectively, as disclosed in Note 15.

In 2025, 2024 and 2023, APMI billed the Company on the costs related to the food and beverages amounting to ₱4,779,636, ₱3,784,444 and ₱2,532,065, respectively, as disclosed in Note 15.

12.01.02 Key Management Personnel

Transactions with related parties under key management personnel are as follows:

	December 31, 2025		December 31, 2024	
	Amount/ Volume	**Outstanding Balance**	Amount/ Volume	Outstanding Balance
Loans (Note 11)	**₱ 20,000,000**	**₱ 25,058,495**	₱ 29,200,000	₱ 29,103,030

The loans are used to finance the Company's improvement of club facilities, clubhouses and golf courses. These are loans from its directors and officers which are unsecured, with an average imputed interest rate of 10% per annum and will be settled in cash, which is payable in one (1) to five (5) years.

In 2025, 2024 and 2023, the Company availed loans amounting to ₱20,000,000, ₱29,200,000 and ₱5,000,000, respectively, as disclosed in Note 11.

In 2025, 2024 and 2023, repayments of loans amounted to ₱24,044,535, ₱13,537,374 and ₱13,287,375, respectively, as disclosed in Note 11.

Finance cost incurred by the Company in 2025, 2024 and 2023 amounted to ₱3,590,676, ₱1,919,041 and ₱2,172,778, respectively.

Finance costs paid on loans amounted to ₱3,590,676, ₱4,303,994 and ₱3,868,431 in 2025, 2024 and 2023, respectively.

12.02 Remuneration of Key Management Personnel

The remuneration of the directors and other members of key management personnel of the Company are set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures*:

	2025	2024
Short-term employee benefits	**₱ 3,008,537**	₱ 3,451,883
Retirement benefits	**79,535**	79,652
	₱ 3,088,072	₱ 3,531,535

13. CAPITAL STOCK

13.01 Ordinary Shares

The details of the Company's ordinary shares are shown below:

		2025		2024
Authorized, Issued and fully paid – 4,000 shares	**₱**	**1,940,578,294**	₱	1,940,578,294

The Company's authorized capital stock consists of 4,000 no par value shares, divided into 2,000 Gold shares (inclusive of 11 Founders' shares) and 2,000 Silver shares.

These are divided into the following:

	2025			2024		
	Gold	**Silver**	**Total**	Gold	Silver	Total
Class A	**1,109**	**900**	**2,009**	1,109	900	2,009
Founders' shares	**11**	**-**	**11**	11	-	11
Class B	**200**	**200**	**400**	200	200	400
Class C	**680**	**900**	**1,580**	680	900	1,580
	2,000	**2,000**	**4,000**	2,000	2,000	4,000

The stated value of the Founders' shares, Gold shares and Silver shares is ₱20,000, ₱2,000, and ₱1,000, respectively.

The Gold shares are divided into 1,120 Class A shares inclusive of the 11 Founders' shares, which may be sold to Filipino citizens (individuals) only; 200 Class B shares, which may be sold to Filipinos and Aliens (individuals); 680 Class C shares, 80 shares of which may be sold to Filipino corporations only and the remaining 600 shares may be sold to either domestic or foreign corporations.

The Silver shares are divided into 900 Class A shares, which may be sold to Filipino Citizens (individuals) only; 200 Class B shares, which may be sold to both Filipinos and Aliens (individuals); and 900 Class C shares, 600 shares of which may be sold to Filipino corporations only and the remaining 300 shares of which may be sold to either domestic or foreign corporations.

The Founders' shares were issued to ARDC and/or its nominees upon incorporation of the Company. As of December 31, 1997, the Company issued 1,360 Gold shares and 250 Silver shares in exchange for the land turned over and the advances made by ARDC for the development costs of the Company.

In 2012, the Company issued 900 silver shares as payment of the development cost and advances made by ARDC which amounted to ₱239,769,505. The Company did not file notice of exemption and/or secure approval on the conversion of these advances into equity pursuant to SRC Rule 10.1. Management believes that the Certificate of Permit to sell shares issued by the SEC on September 19, 1995 covers the entire subscription of the authorized capital stock.

No profits shall inure to the exclusive benefit of any of the Company's stockholders and no dividends shall be declared in their favor. Stockholders shall be entitled only to pro-rata share of the Company's assets upon dissolution or liquidation.

The stockholders are required to pay the monthly dues to meet the expenses for the general and operations of the Company and the maintenance and improvement of its premises and facilities apart from the prescribed fee for the actual use of the facilities. Owners of Gold shares shall be entitled to use all facilities of the Company, while owners of Silver shares can avail of the country club and all other sports facilities but not the golf course, golf facilities nor the golf clubhouse.

A holder of a share of stock of the Company is not an *ipso facto* member of the Company, and in the event that an application for membership of a stockholder is disapproved by the Board of Directors, his/her shares shall be disposed subject to the Company's right of first refusal.

13.02 History of Registration of Securities

On September 19, 1999, SEC issued a Certificate of Permit to Sell Shares of originally registered securities: 4,000 total shares of common stock divided into 2,000 Gold Shares and 2,000 Silver Shares.

14. REVENUE

An analysis of the Company's revenue for the years ended 2025, 2024 and 2023 are as follows:

		2025		2024		2023
Food and beverages	₱	**104,132,880**	₱	93,941,121	₱	74,559,323
Sports club		**93,747,458**		87,431,616		77,179,361
Membership dues		**77,585,066**		78,510,216		70,550,900
Hotel operations		**11,203,697**		12,955,533		9,619,950
Others		**20,807,738**		39,039,635		27,415,284
	₱	**307,476,839**	₱	311,878,121	₱	259,324,818

Food and beverages pertain to the revenue from the restaurant operations and banquets in the function rooms, by Culinary Adventures Inc., as disclosed in Note 22.

Sports club pertains to revenue recognized from members and non-members playing golf. In 2025, 2024 and 2023, revenue recognized from the agreement with Dynamic Sports Corporation amounted to ₱820,876, ₱665,256, and ₱504,290, respectively, as disclosed in Note 22. It also includes the proceeds and benefits derived from the use of playing rights of ARDC amounting to ₱15,071,036, ₱12,951,152 and ₱5,173,875 in 2025, 2024 and 2023, respectively, as disclosed in Note 21.

Membership dues pertain to the revenue recognized from the dues paid by the members of the club.

Hotel operations pertain to the revenue recognized from occupancy and operation of function rooms and events in the hotel and country club facilities.

Others pertain to revenue from golf cart parking, processing fee, transfer fee, laundry fee, locker rental fee, and other income arising from water station and club merchandise.

15. DIRECT COSTS

The following is an analysis of the Company's direct costs:

		2025		2024		2023
Food and beverages	₱	**93,988,965**	₱	80,691,319	₱	69,988,064
Sports club		**74,867,107**		76,126,548		53,277,906
Depreciation (Note 9)		**27,671,851**		25,916,612		23,159,991
Hotel operations		**23,592,219**		22,241,474		16,286,668
	₱	**220,120,142**	₱	204,975,953	₱	162,712,629

Food and beverages pertain to the costs incurred by Culinary Adventures Inc., as disclosed in Note 22. Food and beverages also include the direct costs billed by the APMI pertaining to function room rental on banquet events amounting to ₱4,779,636, ₱3,784,444 and ₱2,532,065, in 2025, 2024 and 2023, respectively, as disclosed in Note 12.

Sports club includes the direct costs recognized from agreement with MGMI amounting to ₱29,970,000, ₱28,928,571 and ₱27,946,429 in 2025, 2024 and 2023, respectively, as disclosed in Note 22. Sports club also includes the direct costs recognized from agreement with APMI amounting to ₱38,022,106, ₱33,145,733 and ₱31,723,967 in 2025, 2024 and 2023, respectively, as disclosed in Note 12.

Hotel operations include payment of direct cost fee to APMI for various services such as arranging events, tournaments or other services aside from operating and maintaining the hotels and country club. These costs are billed by APMI to the Company on a monthly basis. In 2025, 2024 and 2023, the total costs billed to APMI amounted to ₱22,593,842, ₱22,241,474 and ₱16,286,668, as disclosed in Note 12.

16. OTHER INCOME

Components of other income as disclosed in Note 6 are as follows:

		2025		2024		2023
Finance income (Note 6)	₱	**19,568**	₱	19,209	₱	14,522
Unrealized foreign exchange gain (Note 6)		**5,820**		34,529		8,781
	₱	**25,388**	₱	53,738	₱	23,303

17. OPERATING EXPENSES

The following is an analysis of the Company's operating expenses

		2025		2024		2023
Power, light and water	₱	**24,412,747**	₱	24,320,861	₱	28,252,900
Repairs and maintenance		**14,782,350**		7,775,977		3,145,031
Short-term employee benefits (Note 18)		**11,593,608**		10,731,597		8,879,739
Taxes and licenses		**9,786,718**		9,875,449		4,180,484
Contracted services		**9,385,501**		11,611,730		14,164,955
Depreciation (Note 9)		**9,223,950**		8,638,871		7,719,997
Penalties and interest		**4,301,003**		4,099,535		-
Communication		**2,877,510**		918,447		857,038
Consultancy and legal		**2,726,810**		3,169,070		2,691,454
Special events		**2,494,727**		10,862,497		7,550,988
Supplies		**2,392,275**		1,857,127		2,773,777
Transportation and travel		**1,808,327**		5,061,708		5,441,689
Commission		**1,254,333**		1,877,374		2,031,077
Insurance		**655,657**		867,692		867,692
Advertising		**168,041**		184,205		93,859
Retirement employee benefits (Note 18)		**79,535**		60,257		425,313
Others		**5,417,604**		5,087,408		6,919,409
	₱	**103,360,696**	₱	106,999,805	₱	95,995,402

Power, light and water pertain to the utilities used inside the country club to support its operation.

Repairs and maintenance represents cost incurred for the upkeep and restoration of the Company's facilities and equipment to maintain their optimal working condition.

Others include sanitation expenses, service charges, other administrative expenses incurred on various events of the Company, and representations.

18. EMPLOYEE BENEFITS

Aggregate employee benefits expense comprised:

		2025		2024		2023
Short-term employee benefits (Note 18.01)	₱	**11,593,608**	₱	10,731,597	₱	8,879,739
Retirement employee benefits (Note 18.02)		**79,535**		60,257		425,313
	₱	**11,673,143**	₱	10,791,854	₱	9,305,052

18.01 Short-term Employee Benefits

Short-term employee benefits, as disclosed in Note 17, are comprised of:

		2025		2024		2023
Salaries and wages	₱	**7,981,902**	₱	6,606,913	₱	5,950,698
Other short-term benefits		**3,611,706**		4,124,684		2,929,041
	₱	**11,593,608**	₱	10,731,597	₱	8,879,739

Other short-term benefits pertain to SSS, PHIC and HDMF premium contributions, food subsidy and employee discounts.

18.02 Retirement Employee Benefits

The Company has an unfunded and noncontributory defined benefit plan for qualified employees. The Company has a single retirement plan under the regulatory framework of the Philippines. Under R.A. 7641 the Company is legally obliged to provide a minimum retirement pay for qualified employees upon retirement. The framework, however, does not have a minimum funding requirement. The Company's benefit plan is aligned with this framework. Under the plan, the employees are entitled to retirement benefits varying between 22.5 days pay for every year of credited service on attainment of a retirement age of sixty (60) years while early retirement age is fifty (50) and with ten (10) years of credited service. Payments for the unfunded benefits are borne by the Company as it falls due.

The most recent actuarial valuation of the present value of the defined benefit obligation (DBO) was carried out on April 6, 2026 by E.M. Zalamea Actuarial Services, Inc. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the PUCM.

There were no plan amendment, curtailment or settlement recognized for the years ended December 31, 2025 and 2024.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate	**6.32%**	6.09%
Expected rate of salary increase	**2.50%**	2.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 60.

	2025	2024
Retiring beyond twenty (20) years after		
the reporting period	**30**	27
Male	**12**	9
Female	**18**	18

The sensitivity analysis of the defined benefit obligation of changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2025			
Discount rate	**+100 bps**	**Decrease by 8.6%**	**Increase by 9.9%**
Salary increase rate	**+100 bps**	**Increase by 10.2%**	**Decrease by 9.0%**
2024			
Discount rate	+100 bps	Decrease by 10.5%	Increase by 12.3%
Salary increase rate	+100 bps	Increase by 12.7%	Decrease by 11.0%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows, as disclosed in Note 17:

	2025	2024	2023
Current service cost	**₱ 61,481**	₱ 47,645	₱ 209,261
Interest cost on obligation	**18,054**	12,612	216,052
	₱ 79,535	₱ 60,257	₱ 425,313

Reconciliation of remeasurements recognized in other comprehensive income is as follows:

	Change on Financial Assumption	**Changes in Demographic Assumptions**	**Experience Adjustments**	**Remeasurement Gain (Loss)**
Gain (Loss) balance at January 1, 2023	**₱ 617,512**	**₱ 179,214**	**₱ 45,750**	**₱ 842,476**
Amount recognized during the year	(27,144)	77,761	(1,601,465)	**(1,050,848)**
Gain balance at December 31, 2023	**590,368**	**756,975**	**(1,555,715)**	**(208,372)**
Amount recognized during the year	(1,005)	-	(29,109)	**(30,114)**
Gain (Loss) balance at December 31, 2024	**589,363**	**756,975**	**(1,584,824)**	**(238,486)**
Amount recognized during the year	(13,435)	-	(121,321)	**(134,756)**
Gain (Loss) balance at December 31, 2025	**₱ 575,928**	**₱ 756,975**	**₱ (1,706,145)**	**₱ (373,242)**

As of December 31, 2025 and 2024, retirement benefits obligation included in the statements of financial position arising from the entity's obligation in respect of its defined benefit plans amounted to ₱510,737 and ₱296,446, respectively.

Movements in the present value of the defined benefit obligation in both periods were as follows:

		2025		2024
Balance, January 1	₱	**296,446**	₱	206,075
Current service cost		**61,481**		47,645
Interest cost		**18,054**		12,612
Remeasurement loss		**134,756**		30,114
Balance, December 31	₱	**510,737**	₱	296,446

The Company's retirement plan is still unfunded; there are no plan assets to match against retirement benefit obligation.

19. INCOME TAXES

19.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

	2025	2024	2023
Current tax expense	**₱ 1,747,825**	₱ 2,138,219	₱ 1,449,295
Deferred tax expense (benefit) (Note 20)	**(7,177)**	6,437	324
	₱ 1,740,648	₱ 2,144,656	₱ 1,449,619

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2025, 2024 and 2023 of 25%, are as follows:

	2025	2024	2023
Accounting loss	**₱ (19,569,287)**	₱ (1,962,940)	₱ (1,532,688)
Tax benefits at 25%	**(4,892,322)**	(490,735)	(383,172)
Tax effects of:			
Unrecognized deferred tax assets on:			
NOLCO	**3,997,200**	(539,175)	-
Excess MCIT	**1,747,825**	2,138,219	2,794,811
Retirement benefits	**19,884**	15,064	106,328
Non-taxable income			
Finance income subjected to final tax	**(4,892)**	(4,802)	(3,631)
Non-deductible expenses		1,024,884	-
Penalties	**872,945**		-
Finance cost	**-**	1,201	908
Retirement benefits paid	**-**	-	(1,065,625)
Miscellaneous expense	**8**	-	-
	₱ 1,740,648	₱ 2,144,656	₱ 1,449,619

Details of NOLCO from 2022, 2023 and 2025 are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2022	₱	694,005	₱	-	₱	-	₱	694,005	₱	-	2025
2023		5,382,066		-		-		-		5,382,066	2026
2025		15,988,801		-		-		-		15,988,801	2028
	₱	**22,064,872**	**₱**	**-**	**₱**	**-**	**₱**	**694,005**	**₱**	**21,370,867**	

Details of NOLCO covered by Revenue Regulations No. 25-2020 are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2020	₱	18,274,321	₱	2,156,697	₱	-	₱	16,117,624	₱	-	2025
2021		8,365,274		-		-		-		8,365,274	2026
	₱	**26,639,595**	**₱**	**2,156,697**	**₱**	**-**	**₱**	**16,117,624**	**₱**	**8,365,274**	

The Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Details of the Company's excess MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred		Amount		Expired		Unapplied	Expiry Date
2022	₱	699,115	₱	699,115	₱	-	2025
2023		1,449,295		-		1,449,295	2026
2024		2,138,219		-		2,138,219	2027
2025		1,747,825		-		1,747,825	2028
	₱	**6,034,454**	**₱**	**699,115**	**₱**	**5,335,339**	

20. DEFERRED TAXES

20.01 Deferred Tax Assets

The components of the Company's unrecognized deferred tax assets and their respective movements are as follows:

		Retirement Benefit Obligation		NOLCO		Allowance for Expected Credit Losses		Excess MCIT		Total
Balance at January 1, 2024	₱	51,519	₱	8,178,917	₱	4,002,809	₱	2,626,458	₱	14,859,703
Unrecognized in profit or loss		15,064		(539,175)		-		1,660,171		**1,136,060**
Unrecognized in other comprehensive income		7,529		-		-		-		**7,529**
Balance at December 31, 2024		**74,112**		**7,639,742**		**4,002,809**		**4,286,629**		**16,003,292**
Unrecognized in profit or loss		19,884		(205,707)		-		1,048,710		**862,887**
Unrecognized in other comprehensive income		33,689		-		-		-		**33,689**
Balance at December 31, 2025	**₱**	**127,685**	**₱**	**7,434,035**	**₱**	**4,002,809**	**₱**	**5,335,339**	**₱**	**16,899,868**

20.02 Deferred Tax Liability

The components and respective movements of the Company's deferred tax liability arising from unrealized foreign exchange gain are as follows:

		2025		2024
Balance, January 1	₱	**8,632**	₱	2,195
Recognize in profit or loss		**(7,177)**		6,437
Balance, December 31	**₱**	**1,455**	₱	8,632

21. COMMITMENTS

The Company's Board of Directors resolved and ratified on June 27, 2002 the assignment of ARDC playing rights to the Company subject to the following terms and conditions:

a) The Company shall have the exclusive authority to lease or otherwise utilize the playing rights corresponding to the shares;

b) All proceeds and benefits derived from the use of the playing rights shall pertain to the Company;

c) Ownership of the shares shall always remain with ARDC but the Company shall have full discretion to manage, lease or otherwise utilize the playing rights; and

d) The assignment of the playing rights shall be effective for twenty five (25) years, from January 1, 2000 to December 31, 2025.

The proceeds and benefits derived from the use of playing rights of ARDC amounted to ₱15,071,036, ₱12,951,152 and ₱5,173,875 in 2025, 2024 and 2023, respectively, as disclosed in Note 14.

22. SIGNIFICANT CONTRACT AGREEMENTS

22.01 Golf Service Management, General Service Agreement and Supplementary Agreement

22.01.01 MJCARR Golf Management, Inc. (MGMI)

The Company entered into a Golf Management and General Services Agreement with MGMI on January 17, 2008. The latter will be rendering maintenance services for the golf course area and all other areas necessary under ordinary/normal conditions for its efficient operations. The contract was renewed on August 31, 2017 and subject to extension of another two (2) years upon approval of both parties. In 2020, both parties agreed that the contract shall be extended for a period of three (3) years from October 1, 2020 and shall end on September 30, 2024 renewable for another two (2) years upon mutual agreement of the parties in writing. In 2024, both parties agreed that the contract shall be extended from October 1, 2024 to September 30, 2026, renewable for another two (2) years upon mutual agreement of the parties in writing.

In 2025, 2024 and 2023, direct cost recognized from this agreement amounted to ₱29,970,000, ₱28,928,571 and ₱27,946,429, respectively, as disclosed in Note 15.

22.01.02 Dynamic Sports Corporation (DSC)

The Company entered into a memorandum of agreement with DSC on April 30, 2019 for a period of at least six (6) years contract renewable upon agreement of both parties. DSC is the appointed distributor of Titleist, FootJoy, Loudmouth and SKLZ products in the Philippines. Whereas DSC shall remit to the Company the monthly performance percentage, the computation shall be as follows:

a. From year one (1) to year three (3) – eight percent (8%) of the net invoice sales per month

b. From year four (4) to year six (6) – ten percent (10%) of the net invoice sales per month

c. DSC shall deduct ten percent (10%) withholding tax from the computed performance percentage of Lessor as required by law.
d. DSC shall remit the monthly performance percentage to the Company on or before the 15th of each succeeding month.
e. Both parties may conduct Ad Hoc Promotional activities to boost the sales of the Empire Golf & Sports Shop. On such activities, however, DSC shall only remit a five percent (5%) performance percentage to the Company based on net invoice sales.
f. A notice relative to promotional campaign will be issued to the Company at least one (1) week prior to the commencement of the activity.

In 2025, 2024 and 2023, revenue recognized from this agreement amounted to ₱820,876, ₱665,256 and ₱504,290, respectively, as disclosed in Note 14.

<u>22.01.03 Culinary Adventures Inc.</u>

The Company entered into an agreement with Culinary Adventures Inc. that caters to hotels, restaurants and golf and country clubs, to supply and operate the food and beverages (F&B) in the sand trap, eagle lounge, green rooms, half-way houses, driving range food outlet and tee houses located within the Company (herein collectively referred to as "Club Facilities"). This agreement is valid for three (3) years from October 1, 2019 until November 30, 2021 unless renewed or extended in writing within sixty (60) days prior to expiration. In 2021, the Company renewed its agreement for another three (3) years. In 2025, upon expiration, the Company agreed to extend the agreement under the same terms and conditions for a period of one month while the actual and final renewal is still under review.

In 2025, the Company formally informed after a careful review and discussion with the Board of Directors, that the service agreement between the Club and Culinary Adventures Inc. (CAI) to supply and operate the Food & Beverage in Sand Trap, Eagle Lounge, Green Room, KatsuKimchi, and Tee Houses located within MALARAYAT Golf and Country Club will have an extendable years of three (3) which will commence from December 1, 2024 to November 30, 2027. This will supersede the initial Board resolution No. 04-0-2023 last August 25, 2023, extending the contract to 10 years from November 30, 2024 expiration.

The Company shall collect ten percent (10%) on all F&B revenues (excluding service charge and discounts) generated from the operation of Sand Trap, Half Way House (Japanese-Korean Restaurant), Tea Houses, and food and beverages from all banquet events.

In 2025, 2024 and 2023, revenue recognized from this agreement amounted to ₱104,132,880, ₱93,941,121 and ₱74,559,323, respectively, as disclosed in Note 14. The Company incurred cost of sales in 2025, 2024 and 2023 amounting to ₱89,209,329, ₱76,906,875 and ₱67,455,999, respectively, as disclosed in Note 15.

<u>22.01.04 ATF Property Management Inc. (APMI)</u>

The Company entered into a memorandum of agreement with APMI on January 1, 2020, whereas the Company appointed the latter to operate and maintain the club hotel, country club and golf club facilities for the period of three (3) years starting on January 1, 2020 until December 31, 2022. On January 1, 2023, both parties decided to revise the contract and will be effective until December 31, 2023. On January 1, 2024, both parties revised the contract, the following terms will be effective until December 31, 2033.

Integral to the delivery of services by APMI, the Company shall:

a. Pay the latter a monthly service fee of ₱2,200,000 inclusive of government taxes covering services, manpower, and supplies in two (2) equal payments dated every 15th and 30th of the month;
b. Collect golf cart rental revenues and promptly remit to APMI;
c. Maintain and operate club hotel facilities, golf club facilities, country club facilities, sports facilities, all parking areas, roof cleaning and activity center;
d. Ensure complete supply of consumables at all public areas;
e. Ensure availability of necessary equipment for janitorial and maintenance services;
f. To provide a complete engineering team that will monitor and perform duties such as performing minor repair and maintenance duties in line with the Company's day-to-day operations and performing preventive maintenance on the Company's equipment;
g. To provide a complete sales and marketing team that will monitor and perform duties such as performing sales call and marketing activities and to get event bookings.

Concessionary fees incurred amounted to ₱26,397,321, ₱23,571,429 and ₱19,392,907, in 2025, 2024 and 2023, respectively, as disclosed in Note 12.01.01.

23. LOSS PER SHARE

The Company's basic loss per share is (₱5,327), (₱1,027) and (₱746) as of December 31, 2025, 2024 and 2023, respectively.

Loss and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

		2025		2024		2023
Loss used in the calculation of total basic loss per share	**₱**	**(21,309,935)**	₱	(4,107,596)	₱	(2,982,307)
Weighted average number of ordinary shares for the purpose of basic loss per share		**4,000**		4,000		4,000

Diluted earnings per share equal the basic earnings per share since the Company does not have dilutive shares as of December 31, 2025, 2024 and 2023.

24. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of December 31, 2025 and 2024 are presented below:

		2025				2024		
		Carrying Amount		**Fair Value**		Carrying Amount		Fair Value
Financial Assets:								
Cash	₱	**20,824,026**	₱	**20,824,026**	₱	29,333,894	₱	29,333,894
Trade and other receivables – net		**30,811,335**		**30,811,335**		23,423,136		23,423,136
	₱	**51,635,361**	₱	**51,635,361**	₱	52,757,030	₱	52,757,030
Financial Liabilities:								
Trade and other payables	₱	**70,183,299**	₱	**70,183,299**	₱	72,003,239	₱	72,003,239
Loans payable		**25,058,495**		**25,058,495**		29,103,030		29,103,030
	₱	**95,241,794**	₱	**95,241,794**	₱	101,106,269	₱	101,106,269

Due to demand feature of cash and short-term maturities of trade and other receivables (except advances to officers and employees), trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies) and due to related parties, Management believes that the fair values approximate the carrying amounts as of December 31, 2025 and 2024.

Loans payable is interest bearing. The interest rates approximate the market interest rates; hence, Management believes that the amortized cost approximates the fair value.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's Management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, interest rate risk, credit risk and liquidity risk.

Management established policies to manage the risks associated with financial instruments. Its overall risk management program is focused on the unpredictability of developments on the financial markets and seeks to minimize potential adverse effects on its financial position.

Management is in close cooperation with the Board of Directors and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

25.01 Market Risk Management

25.01.01 Interest Rate Risk Management

The Company's exposure to interest rate risk arises from loans payable which are subject to a fixed interest rate and from its cash in bank which is subject to variable interest rates. The interest rate risk arising from loans and cash in banks is managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

The Company's losses for the years ended December 31, 2025, 2024 and 2023 would have been unaffected since the Company has no borrowings at variable rates and interest rate risk exposure for its cash in bank, which is subject to variable rate, is immaterial.

25.02 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash in banks and trade and other receivables (except advances to officers and employees).

The Company considers the following policies to manage its credit risk:

- Cash in Banks

  The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

- Trade and Other Receivables

  The Company bills all members monthly. If any bill remains unpaid by the end of the month following that in which the bill was incurred, the Company shall notify the member that if his/her bill is not paid by the end of the succeeding month his/her name will be posted as delinquent the following day at the Clubhouse Bulletin Board. Delinquent accounts shall be charged by carrying fees, interests and surcharges. Members on the delinquent list for more than ninety (90) days and who have an outstanding balance of ₱100,000 or more, shall be reported to the Board and their shares or the shares of the juridical entities they represent shall thereafter be ordered and sold by the Board at an auction to satisfy the claims of the Company. The Company did not hold auction proceedings during the year. A member may pay his/her overdue account at any time before the auction sale.

The carrying amounts of financial assets measured at amortized costs are as follows:

		2025		2024
Cash in banks	₱	**20,679,026**	₱	29,228,894
Trade and other receivables – net		**30,811,335**		23,423,136
	₱	**51,490,361**	₱	52,652,030

The calculation of allowance for expected credit losses is based on the following three (3) components:

- Probability of Default (PD)

  PD is the likelihood over a specified period, usually one year, that a client will not be able to make scheduled repayments. PD depends not only on the client's characteristics, but also on the economic environment. PD is estimated using historical data.

- Loss Given Default (LGD)

  LGD is the amount of money a company loses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

- Exposure at Default (EAD)

  EAD is the total value a company is exposed to when a loan defaults. It refers to the gross carrying amount of financial assets.

Below is the summary of computation of allowance for expected credit losses in 2025:

	PD rate	**LGD rate**		**EAD**		**ECL**
	a	***b***		***c***		***d=a*b*c***
Cash in banks	**0.00%**	**0.00% to 82.65%**	**₱**	**20,679,026**	**₱**	**-**
Trade and other receivables – net	**0.00% to 45.95%**	**100.00%**		**46,822,571**		**16,011,236**
			₱	**67,501,597**	**₱**	**16,011,236**

Below is the summary of computation of allowance for expected credit losses in 2024:

	PD rate	LGD rate		EAD		ECL
	a	*b*		*c*		*d=a*b*c*
Cash in banks	0.00%	0.00% to 96.47%	₱	29,228,894	₱	-
Trade and other receivables – net	0.00% to 45.95%	100.00%		39,434,372		16,011,236
			₱	68,663,266	₱	16,011,236

Cash in Banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Company estimated the probability of default to be nil in both years.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 82.65% and 0.00% to 96.47% in 2025 and 2024, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade and Other Receivables

The Company determined the probability of default rate by considering the following: the schedules of collections for the past three years; the past, current, and forecast performance of each customer's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. In 2025 and 2024, the corresponding probability of default is estimated to be about 0.00% to 45.95%, given the historical experience of the Company in handling these customers' accounts, this is adjusted to current and forecast information.

The loss given default rate is 100.00% for all clients because the Company does not obtain collateral for these transactions in both years.

Exposure at default is equal to the gross carrying amount of trade and other receivables.

The Company did not recognize additional provision for expected credit losses since the Management believed that amount is sufficient in 2025 and 2024. Allowance for expected credit losses as of December 31, 2025 and 2024 amounted to ₱16,011,236, as disclosed in Note 7.

25.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	One (1) to Five (5) Years	Total
December 31, 2025					
Trade and other payables		**₱ -**	**₱ 70,183,299**	**₱ -**	**₱ 70,183,299**
Loans payable	**10.00%**	**-**	**14,409,606**	**10,648,889**	**25,058,495**
		₱ -	**₱ 84,592,905**	**₱ 10,648,889**	**₱ 95,241,794**
December 31, 2024					
Trade and other payables	-	₱ -	₱ 72,003,239	₱ -	₱ 72,003,239
Loans payable	10.00%	-	18,454,141	10,648,889	29,103,030
		₱ -	₱ 90,457,380	₱ 10,648,889	₱ 101,106,269

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	Total
December 31, 2025				
Cash on hand	-	**₱ 145,000**	**₱ -**	**₱ 145,000**
Cash in banks	**Floating rate**	**20,679,026**	-	**20,679,026**
Trade and other receivables – net	-	-	**30,811,335**	**30,811,335**
		₱ 20,824,026	**₱ 30,811,335**	**₱ 51,635,361**
December 31, 2024				
Cash on hand	-	₱ 105,000	₱ -	₱ 105,000
Cash in banks	Floating rate	29,228,894	-	29,228,894
Trade and other receivables – net	-	-	23,423,136	23,423,136
		₱ 29,333,894	₱ 23,423,136	₱ 52,757,030

26. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The unfavorable results in the Company's operations in previous years made the Management entered into agreements with outside parties to administer, to operate and maintain the golf and sports club, restaurant and hotel operations. The Company aims to earn revenue and minimize costs by entering to these agreements to administer the operations that can help out to satisfy debts and increase working capital requirements. The Company's strategy remained unchanged from 2024.

The capital structure of the Company consists of net debt (comprising of total liabilities offset by only cash in bank balances as disclosed in Notes 6, 10, 11, 12, 18 and 20) and equity of the Company (comprising issued capital stock, deficit and remeasurements as disclosed in Notes 13 and 18).

The Company reviews its capital structure on an annual basis. As part of this review, the Company considers the cost of capital, and the risks associated with each class of capital. The Company has a target gearing ratio of 3:1 determined as the proportion of net debt to equity.

The gearing ratio at end of the reporting period was as follows:

	2025	2024
Debt	**₱ 109,923,084**	₱ 111,472,814
Cash	**20,824,026**	29,333,894
Net debt	**89,099,058**	82,138,920
Equity	**1,037,120,844**	1,058,565,535
Net debt to equity ratio	**0.09:1**	0.08:1

27. NON-CASH TRANSACTIONS

In 2024, the Company engaged in a non-cash financing transaction that is not reflected in the statements of cash flows. In 2024, ARDC acquired auctioned shares through a bidding process. The settlement for these shares was executed via an offset arrangement, wherein the purchase price was applied against the Company's outstanding payable to ARDC amounted to nil and ₱6,158,192 in 2025 and 2024, respectively, as disclosed in Note 12.

28. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing is as follows:

		2025		2024
Balance, January 1	₱	**29,103,030**	₱	21,983,549
Changes from financing cash flows:				
Proceeds from loan		**20,000,000**		29,200,000
Finance cost incurred		**3,590,676**		1,919,041
Finance cost paid		**(3,590,676)**		(4,303,994)
Offsetting of payment against advances to related parties		**-**		(6,158,192)
Repayments of loans payable		**(24,044,535)**		(13,537,374)
Balance, December 31	₱	**25,058,495**	₱	29,103,030

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on May 6, 2026.

30. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS

30.01 Revenue Regulations No. 15-2010

The Bureau of Internal Revenue (BIR) released a revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on Notes to Financial Statements. The following are the disclosures required by the said Regulation:

30.01.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2025 are as follows:

30.01.01.01 Output VAT

The Company is VAT-registered with an output VAT declaration of ₱29,503,448 for the year based on its collections derived from sports club revenue, food and beverage, hotel operations, and others.

The Company has zero-rated/exempt sales amounting to ₱60,556,350 pursuant to the provisions of (1) Supreme Court (SC) decision (per G.R. 228539) for the VAT-exemption of all membership dues collections by non-profit recreational clubs; (2) Expanded Seniors Citizen's Act of 2020 and other provisions applicable thereof.

30.01.01.02 Input VAT

An analysis of Company's input VAT claimed during the year is as follows:

Balance, January 1		₱	10,497,223
Current year's domestic purchases/payments for:			
Domestic purchased of services	22,995,355		
Domestic purchase of good other than capital goods	2,976,892		
Services lodged in other accounts	243,745		26,215,992
Total available input VAT			**36,713,215**
Applied against output VAT			(26,215,992)
Other adjustments			(10,497,223)
Balance, December 31		**₱**	**-**

30.01.01.03 Other Taxes and Licenses

An analysis of the Company's other taxes and licenses are as follows:

Real property taxes	₱	9,065,836
Permit fees		570,882
Documentary stamp taxes		150,000
	₱	**9,786,718**

30.01.01.04 Withholding Taxes

An analysis of the Company's withholding taxes paid or accrued during the year is as follows:

Expanded withholding taxes	₱	4,683,514
Withholding tax on compensation and benefits		217,956
	₱	**4,901,470**

Expanded withholding taxes normally arise from the Company's purchase of security services, contractors and professional fees.

30.01.01.05 Deficiency Tax Assessments and Tax Cases

On February 12, 2024, the Company received a Letter of Authority for all internal revenue taxes including documentary stamp tax and other taxes for the taxable year covering January 1, 2022 to December 31, 2022.

In 2025, the Company paid a total of ₱4,301,003 for all the deficiencies found by the revenue officer; thus, the Letter of Authority for the taxable year 2022 is now closed.

30.02 Revenue Regulations No. 19-2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form No. 1702 setting forth the following schedules. Below are the disclosures required by the said Regulation:

30.02.01 Revenues

An analysis of the Company's revenues for the taxable year is as follows:

Food and beverages	₱	104,132,880
Sports club		93,747,458
Membership dues		77,585,066
Hotel operations		11,203,697
Others		20,807,738
	₱	**307,476,839**

30.02.02 Direct Cost

The following is an analysis of the Company's cost of services for the taxable year:

Food and beverages	₱	93,988,965
Sports club		74,867,107
Depreciation		27,671,851
Hotel operations		23,592,219
	₱	**220,120,142**

30.02.03 Other Income

The Company's other income for the taxable year pertains to the foreign exchange gain amounting to ₱34,529.

30.02.04 Itemized Deductions

The following is an analysis of the Company's itemized deductions for the taxable year:

Power, light and water	₱	24,412,747
Repairs and maintenance		14,782,350
Short-term benefits		11,593,608
Taxes and licenses		9,786,718
Contracted services		9,385,501
Depreciation		9,223,950
Finance cost		3,590,676
Communication		2,877,510
Consultancy and legal		2,726,810
Special events		2,494,727
Supplies		2,392,275
Transportation and travel		1,808,327
Commission		1,254,333
Penalties, interest, and bank charges		809,225
Insurance		655,657
Advertising		168,041
Others		5,417,572
	₱	**103,380,027**

30.03 Revenue Regulations No. 34-2020

Revenue Regulations (RR) No. 34-2020 prescribes the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending for this purpose pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is covered by the requirements and procedures for related transactions provided in RR No. 34-2020.

PKF
R.S. Bernaldo & Associates

R.S. Bernaldo & Associates
18/F Cityland Condominium 10
Tower 1, 156 H.V. dela Costa St.,
Ayala North, Makati City,
Philippines 1226

+632 8812-1718 to 22
info@pkfrsbernaldo.com
www.pkfrsbernaldo.com

INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

We have audited the financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 on which we have rendered the attached report dated May 6, 2026.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013-AF
Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
BSP Group B Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Group A Accreditation No. IC-EA-2025-0061-R
Valid until 2027 audit period
PTR No. 10780861
Issued on January 20, 2026 at Makati City

May 6, 2026

PKF
R.S. Bernaldo & Associates

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REPORT ON THE SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

We have issued our report dated May 6, 2026 on the basic financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** as of and for the period December 31, 2025. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** taken as a whole. The information in the index to the financial statements and supplementary schedules as of and for the year ended December 31, 2025, which is not a required part of the financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
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Valid until 2026 audit period
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May 6, 2026

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE A - SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name of issuing entity and association of each issue *(i)*	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *(ii)*	Value based on market quotations at end of reporting period *(iii)*	Income received or accrued
None to Report				

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

SCHEDULE B - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name and Designation of Debtor *(i)*		Balance at beginning of period		Additions		Amounts Collected *(ii)*		Amounts Written-off *(iii)*		Current	Non-Current	Balance at end of period
None to Report												

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE C - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected *(i)*	Amounts written off *(ii)*	Current	Non-Current	Balance at the end of the period
None to Report							

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE D - SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
None to Report						

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE E - SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
AS OF DECEMBER 31, 2025

Title of issue and type of obligation *(i)*	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related Statement of Financial Position *(ii)*	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position *(iii)*
Loans payable	N/A	14,409,606.00	10,648,889.00

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE F - SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
LONG-TERM LOANS FROM RELATED COMPANIES
AS OF DECEMBER 31, 2025

Name of Related Parties *(i)*	Balance at beginning of period	Balance at end of period *(ii)*
Active Realty and Development Corp.	-	-

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE G - SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS OF DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding *(i)*	Amount owned by person of which statement is filed	Nature of guarantee *(ii)*

None to Report

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE H - SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Title of Issue *(i)*	Number of shares authorized	Number of shares issued and outstanding as shown under the related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties *(ii)*	Directors, officers and employees	Others *(iii)*
Gold	2,000	2,000	N/A	1,214	786	N/A
Silver	2,000	2,000	N/A	1,944	56	N/A
	4,000	4,000	N/A	3,158	842	N/A

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024	2023
A.	**SHORT-TERM LIQUIDITY RATIO**			
	CURRENT RATIO	0.64	0.64	0.54
	Current Assets	63,310,897	64,221,799	45,432,113
	Current Liabilities	98,762,003	100,518,847	84,765,045
	WORKING CAPITAL TO ASSETS	(0.03)	(0.03)	(0.03)
	(Current Assets - Current Liabilities)	(35,451,106)	(36,297,048)	(39,332,932)
	Total Assets	1,170,038,349	1,170,038,349	1,152,968,815
B.	**LONG-TERM SOLVENCY**			
	ASSET TO EQUITY	1.11	1.11	1.08
	Total Assets	1,147,043,928	1,170,038,349	1,152,968,815
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	DEBT TO EQUITY	0.11	0.11	0.08
	Total Liabilities	111,472,814	111,472,814	90,265,570
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	LONG-TERM DEBT TO EQUITY	0.011	0.010	0.005
	Long-Term Debt	11,161,081	10,953,967	5,500,525
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	FIXED ASSETS TO EQUITY	1.04	1.04	1.04
	(Fixed Assets - Accumulated Depreciation)	1,083,733,031	1,105,816,550	1,107,536,702
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	CREDITORS EQUITY TO TOTAL ASSETS	0.10	0.10	0.08
	Total Liabilities	109,923,084	111,472,814	90,265,570
	Total Assets	1,147,043,928	1,170,038,349	1,152,968,815
	FIXED ASSETS TO LONG-TERM DEBT	97.10	100.95	201.35
	(Fixed Assets - Accumulated Depreciation)	1,083,733,031	1,105,816,550	1,107,536,702
	Long-Term Debt	11,161,081	10,953,967	5,500,525

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024	2023
C.	**RETURN ON INVESTMENTS**			
	RATE OF RETURN ON TOTAL ASSETS	(0.02)	(0.00)	(0.00)
	Net Loss	(21,309,935)	(4,107,596)	(2,982,307)
	Average Total Assets	1,158,541,139	1,161,503,582	1,151,196,944
	RATE OF RETURN ON EQUITY	(0.02)	(0.00)	(0.00)
	Net Loss	(21,309,935)	(4,107,596)	(2,982,307)
	Average Stockholders' Equity	1,047,843,190	1,060,634,390	1,064,719,823
D.	**PROFITABILITY RATIOS**			
	GROSS PROFIT RATIO	0.34	0.34	0.37
	Gross Income	106,902,168	106,902,168	96,612,189
	Revenues	311,878,121	311,878,121	259,324,818
	OPERATING INCOME TO REVENUES	0.28	0.34	0.37
	Income from Operations	87,382,085	106,955,906	96,635,492
	Revenues	307,476,839	311,878,121	259,324,818
	PRETAX INCOME TO REVENUES	(0.06)	(0.01)	(0.01)
	Pretax Loss	(19,569,287)	(1,962,940)	(1,532,688)
	Revenues	307,476,839	311,878,121	259,324,818
	NET INCOME TO REVENUE	(0.07)	(0.01)	(0.01)
	Net Loss	(21,309,935)	(4,107,596)	(2,982,307)
	Revenues	307,476,839	311,878,121	259,324,818
E.	**INTEREST COVERAGE RATIO**			
	INTEREST COVERAGE RATIO	(4.450)	(0.023)	0.295
	Earnings Before Interest and Tax	(15,978,611)	(43,899)	640,090
	Interest Expense	3,590,676	1,919,041	2,172,778

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE II - EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024

	2025	2024
Total Audit Fees *(Section 2.1 a)*	**295,000.00**	270,000.00
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
Total Non-audit Fees *(Section 2.1 b)*	**-**	-
TOTAL AUDIT AND NON-AUDIT FEES	**295,000.00**	270,000.00

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	2025	2024
Audit fees	**700,000.00**	690,000.00
Non-audit services fees:		
Other assurance services	**-**	-
Tax services	**-**	-
All other services	**-**	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	**700,000.00**	690,000.00

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: May 15, 2026 11:52:38 PM

Company Information

SEC Registration No.: AS95003557
Company Name: MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST105152026811388699
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2025
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

ANNEX "B"

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	5	0	0	3	5	5	7		

Company Name

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

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

BARANGAY DAGATAN, LIPA CITY, BATANGAS Lipa

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
kdkcorpo.sec@gmail.com	8756-7000	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
759	September/ 9th Friday	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ROMEO V. GARCIA	argy.garcia@malarayat.com	(043)8756-7003	N/A

Contact Person's Address

BRGY. DAGATAN, LIPA CITY, BATANGAS

Note *: 1: In case of death, resgination 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.

MOUNT MALARAYAT
Golf & Country Club

Lea Llanes <lea.villeza@malarayat.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph> Sun, Apr 13, 2025 at 7:17 PM
To: LEA.VILLEZA@malarayat.com
Cc: LEA.VILLEZA@malarayat.com

Hi MOUNT MALARAYAT GOLF AND COUNTRY CLUB INC,

Valid files

- EAFS004721731ITRTY122024.pdf
- EAFS004721731AFSTY122024.pdf
- EAFS004721731RPTTY122024.pdf
- EAFS004721731TCRTY122024-03.pdf
- EAFS004721731OTHTY122024.pdf
- EAFS004721731TCRTY122024-01.pdf
- EAFS004721731TCRTY122024-02.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-NSRQ42T40QZ2RVW3PQS33WQSP08GL5AL5G**
Submission Date/Time: **Apr 13, 2025 07:17 PM**
Company TIN: **004-721-731**

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.

MOUNT MALARAYAT
Golf & Country Club

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** 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 each of the three years in the period ended December 31, 2024 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 Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

R.S. Bernaldo & Associates, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ANTONIO V. TURALBA, JR.	**TEODORO G. SALUD**
Chairman of the Board/President	Treasurer

Signed this APR 10 2025 day of ______ 2025.

SUBSCRIBED AND SWORN to before me this APR 10 2025 day of ______ 2025 affiants exhibiting to me their respective Tax Identification Number (TIN), as follows:

Name	TIN
ANTONIO V. TURALBA, JR.	**143-015-527-000**
TEODORO G. SALUD	**192-224-519-000**

Doc. No. 326;
Page No. 67;
Book No. 3;
Series of 2025

ATTY. MARIETA BAROJA IGARTA
NOTARY PUBLIC
NC No. 2023-0018 Until December 31, 2025
116 Tanco Drive, Marawoy, Lipa City, Batangas Philippines
PTR No. 6641371; 01/02/2025 Lipa City
IBP Life Member No. 04827; Roll of Attorney No. 25111
MCLE Compliance No. VIII-0017186

PKF
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.**, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company 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 (PFRSs).

Basis for Opinion

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

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

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

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

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

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 audits 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 auditors' 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 auditors' 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulation Nos. 15-2010, 19-2011, and 34-2020 in Note 28 to the financial statements, is presented for purposes of filing with Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2023
Valid from January 31, 2023 until January 30, 2026
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Accreditation No. 0300-IC
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CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
BSP Group B Accredited
Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Accreditation No. 102934-IC
Valid until 2024 audit period
PTR No. 10481164
Issued on January 15, 2025 at Makati City

April 10, 2025

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023
(In Philippine Peso)

	NOTES	**2024**	2023
A S S E T S			
Current Assets			
Cash	6	**29,333,894**	10,728,606
Trade and other receivables – net	7	**24,464,527**	22,380,151
Prepayment and other current assets	8	**10,423,378**	12,323,356
		64,221,799	45,432,113
Non-current Asset			
Property and equipment – net	9	**1,105,816,550**	1,107,536,702
TOTAL ASSETS		**1,170,038,349**	1,152,968,815
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	10	**82,064,706**	70,458,704
Due to related parties	12	**-**	3,518,967
Loans payable	11	**18,454,141**	10,787,374
		100,518,847	84,765,045
Non-current Liabilities			
Due to related parties – net of current portion	12	**-**	2,639,225
Loans payable – net of current portion	11	**10,648,889**	2,653,030
Retirement benefit obligation	18	**296,446**	206,075
Deferred tax liability	20	**8,632**	2,195
		10,953,967	5,500,525
TOTAL LIABILITIES		**111,472,814**	90,265,570
S T O C K H O L D E R S ' E Q U I T Y			
Capital Stock	13	**1,940,578,294**	1,940,578,294
Deficits		**(881,774,273)**	(877,666,677)
Remeasurements	18	**(238,486)**	(208,372)
TOTAL STOCKHOLDERS' EQUITY		**1,058,565,535**	1,062,703,245
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**1,170,038,349**	1,152,968,815

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

(A Stock, Non-Profit Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2024, 2023 and 2022

(In Philippine Peso)

	NOTES	**2024**	2023	2022
REVENUE	14	**311,878,121**	259,324,818	192,743,770
DIRECT COSTS	15	**204,975,953**	162,712,629	122,835,106
GROSS PROFIT		**106,902,168**	96,612,189	69,908,664
OTHER INCOME	16	**53,738**	23,303	18,218
		106,955,906	96,635,492	69,926,882
OPERATING EXPENSES	17	**106,999,805**	95,995,402	67,939,066
FINANCE COSTS	11	**1,919,041**	2,172,778	3,041,852
LOSS BEFORE TAX		**(1,962,940)**	(1,532,688)	(1,054,036)
INCOME TAX EXPENSE	19	**2,144,656**	1,449,619	700,289
LOSS		**(4,107,596)**	(2,982,307)	(1,754,325)
OTHER COMPREHENSIVE INCOME (LOSS)				
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:				
Remeasurements	18	**(30,114)**	(1,050,848)	359,522
TOTAL COMPREHENSIVE LOSS		**(4,137,710)**	(4,033,155)	(1,394,803)
BASIC AND DILUTED LOSS PER SHARE	23	**(1,027)**	(746)	(439)

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024, 2023 and 2022
(In Philippine Peso)

	Notes	Capital Stock	Deficits	Remeasurements	Total
Balance at January 1, 2022		1,940,578,294	(872,930,045)	482,954	**1,068,131,203**
Loss			(1,754,325)		**(1,754,325)**
Other comprehensive income	18			359,522	**359,522**
Balance at December 31, 2022	13,18	**1,940,578,294**	**(874,684,370)**	**842,476**	**1,066,736,400**
Loss			(2,982,307)		**(2,982,307)**
Other comprehensive loss	18			(1,050,848)	**(1,050,848)**
Balance at December 31, 2023	13,18	**1,940,578,294**	**(877,666,677)**	**(208,372)**	**1,062,703,245**
Loss			(4,107,596)		**(4,107,596)**
Other comprehensive loss	18			(30,114)	**(30,114)**
Balance at December 31, 2024	13,18	**1,940,578,294**	**(881,774,273)**	**(238,486)**	**1,058,565,535**

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, 2023 and 2022
(In Philippine Peso)

	NOTES	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(1,962,940)**	(1,532,688)	(1,054,036)
Adjustments for:				
Depreciation	9,15,17	**34,555,483**	30,879,988	33,326,996
Finance costs	11	**1,919,041**	2,172,778	3,041,852
Retirement benefits	18	**60,257**	425,313	372,779
Finance income	6,16	**(19,209)**	(14,522)	(10,737)
Unrealized foreign exchange gain	6,16	**(34,529)**	(8,781)	(7,481)
Operating cash flows before changes in working capital		**34,518,103**	31,922,088	35,669,373
Decrease (Increase) in operating assets:				
Trade and other receivables		**(8,242,568)**	(3,546,950)	4,158,868
Prepayment and other current assets		**(238,240)**	(5,796,223)	299,610
Increase (Decrease) in trade and other payables		**13,990,954**	24,938,756	(4,495,501)
Cash generated from operating activities		**40,028,249**	47,517,671	35,632,350
Retirement benefits paid	18	**-**	(4,262,500)	-
Net cash from operating activities		**40,028,249**	43,255,171	35,632,350
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	6,16	**19,209**	14,522	10,737
Additions to property and equipment	9	**(32,835,331)**	(34,849,371)	(19,065,805)
Net cash used in investing activities		**(32,816,122)**	(34,834,849)	(19,055,068)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans availment	11,12	**29,200,000**	5,000,000	15,000,000
Advances received from related parties	12	**-**	-	108,278
Payments to related parties	12	**-**	(4,592,815)	(4,911,057)
Finance costs paid	11,12	**(4,303,994)**	(3,868,431)	(1,483,334)
Repayments of loans payable	11,12	**(13,537,374)**	(13,287,375)	(15,153,703)
Net cash from (used in) financing activities		**11,358,632**	(16,748,621)	(6,439,816)
EFFECT OF EXCHANGE RATE CHANGES IN CASH	6,16	**34,529**	8,781	7,481
NET INCREASE (DECREASE) IN CASH		**18,605,288**	(8,319,518)	10,144,947
CASH AT BEGINNING OF YEAR		**10,728,606**	19,048,124	8,903,177
CASH AT END OF YEAR		**29,333,894**	10,728,606	19,048,124

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

(A Stock, Non-Profit Corporation)

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2024 and 2023 and for each of the
Three Years ended December 31, 2024

1. CORPORATE INFORMATION

Mount Malarayat Golf & Country Club, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on April 7, 1995, as a stock, non-profit corporation. The Company was organized primarily to promote social, recreational and athletic activities on a non-profit basis among its stockholders, the core of which will be the acquisition and maintenance of a golf field course and other similar facilities.

The Company is 79.23% owned by Active Realty and Development Corporation (ARDC), a domestic corporation, and 20.77% owned by Filipino individuals.

The Company's registered office and business operation address is located at Barangay Dagatan, Lipa City, Batangas.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS). The term "PFRS" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRSs Applied with No Material Effect on the Financial Statements

The following new and revised PFRSs have been adopted in these financial statements. The application of these new and revised PFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments to PAS 1 are the following:

  - Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
  - Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
  - Make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

  The amendments defer the effective date of the January 2020 *Classification of Liabilities as Current or Non-Current* (Amendments to PAS 1) to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

  The amendments introduce new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

  The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability’s classification as current or non-current. Additional disclosures are required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments clarify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2024.

2.02 New and Revised PFRSs in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS, to have significant impact on the financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- PFRS 17, *Insurance Contracts*

  PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services. Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.

  PFRS 17 is effective for annual periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

  An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

  The amendments cover the following areas:

  - Insurance acquisition cash flows for renewals outside the contract boundary;
  - Reinsurance contracts held—onerous underlying insurance contracts;
  - Reinsurance contracts held—underlying insurance contracts with direct participation features; and
  - Recognition of the contractual service margin in profit or loss in the general model.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of financial statements.

  PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2025. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2027, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

  The amendments cover the following areas:

  - Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
  - Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.

- Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

The amendments are effective to annual reporting periods beginning on or after January 1, 2025, with early application permitted.

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments cover the following areas:

  - Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.
  - Classification of financial assets:
    - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
    - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
    - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
  - There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

  An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

  The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft Annual Improvements to PFRS Accounting Standards—Volume 11 relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments.*

- PFRS 7, *Financial Instruments: Disclosures*

  - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.

  - Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.

  - Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

- PFRS 9, *Financial Instruments*

  - Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee’s lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

  - Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of ‘transaction price’ in PFRS 15, *Revenue from Contracts with Customers* while term ‘transaction price’ is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.

- PFRS 10, *Consolidated Financial Statements, Determination of a ‘de facto agent’* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

- PAS 7, *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term ‘cost method’ that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

  While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

  The new requirements include:

  - Improved comparability in the statement of profit or loss (income statement);
  - Enhanced transparency of management-defined performance measures; and
  - More useful grouping of information in the financial statements.

  Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

  PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS accounting standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS accounting standards.

  An entity may elect to apply the PFRS 19 if at the end of reporting period:

  - It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
  - It does not have public accountability; and
  - It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS accounting standards.

  An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

  PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

2.02.02 Deferred

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

  The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.01 Statement of Compliance

The financial statements have been prepared in conformity with PFRS and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

3.02 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Company operates (the "functional currency").

The Company chose to present its financial statements using its functional currency.

3.03 Current and Non-Current Presentation

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

4.01.01 Initial Recognition and Measurement

The Company recognizes a financial asset in its statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Company trade receivables that do not have a significant financing component at their transaction price.

4.01.02 Classification

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortized costs include cash in banks and trade and other receivables (except advances to officers and employees).

a) Cash in Banks

Cash in banks pertain to cash deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade and Other Receivables

Trade and other receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company has neither financial assets measured at fair value through other comprehensive income nor through profit or loss in both years.

4.01.03 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.01.04 Impairment

The Company measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the following approaches in accounting for impairment.

- General Approach

  The Company applies general approach to cash in banks and other receivables. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

  The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP rate, interest rate, and inflation rate; the status of counterparties' industry; and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

  The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

  The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

  The Company did not apply the 30 days past due rebuttable presumption because based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

  If the Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

  The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

  The Company performs the assessment of significant increases in credit risk on an individual basis.

The Company applies the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since for those members who are delinquent for more than 90 days and with more than ₱100,000, the Management will assess if the said shares of the members will be subjected for write-off.

The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➢ Simplified Approach

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Members or playing rights holders on the delinquent list for more than ninety (90) days shall be reported to the Board and their shares or the shares of the judicial entities they represent shall thereafter be ordered sold by the Board at auction.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.01.05 Derecognition

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.02 Prepayment and Other Current Assets

4.02.01 Prepayment

Prepayment represents expenses not yet incurred but already paid in cash. This is initially recorded as asset and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayment is classified in the statements of financial position as current assets when the expenses related to prepayment are expected to be incurred within one (1) year or the Company's normal operating cycle whichever is longer. Otherwise, prepayment are classified as non-current asset.

4.02.02 Input VAT

Input VAT is recognized when the Company pays all VATable transactions. This is initially recorded as an asset and measured at 12% of the amount billed and is recognized when the purchase or expense is incurred, irrespective of when the payment is actually made. Subsequently, this may be offset to output VAT.

For zero rated sales, input VAT is initially recorded as an asset and measured at the amount of cash paid. Subsequently, the Company may apply within two (2) years after the close of the taxable quarter when such sale was made for the tax refund of creditable input tax due or paid attributable to sales that are zero-rated or effectively zero-rated.

For tax-exempt sales, input VAT is recognized in profit or loss in the period in which they are incurred.

4.03 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Golf and country clubhouse	50 years
Golf course and land improvements	50 years
Furniture, fixtures and equipment	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.04 Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that any assets other than financial assets that are within the scope of PFRS 9, *Financial Instruments,* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as an income.

4.05 Financial Liabilities

4.05.01 Initial Recognition and Measurement

The Company recognizes financial liability in its statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures financial liability at its fair value minus, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.05.02 Classification

The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- Financial guarantee contracts;
- Commitments to provide a loan at a below-market interest rate; and
- Contingent consideration recognized by an acquirer in a business combination.

The Company's financial liabilities consists of trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies), due to related parties and loans payable.

The Company does not have financial liability measured at fair value through profit or loss in both years.

4.05.03 Derecognition

The Company removes a financial liability (or part of a financial liability) from its statements of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or has expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.06 Unearned Revenue

Unearned revenue arises from payments received for the services not yet rendered by the Company. These are initially measured at the amount of cash received. Subsequently, the Company will record revenue upon performance of the service.

4.07 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.08 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity.

4.09 Employee Benefits

4.09.01 Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term employee benefits given by the Company to its employees include salaries and wages and other employee benefits which include SSS, PHIC and HDMF premium contributions, food subsidy and employee discounts.

4.09.02 Post-employment Benefits

The Company has unfunded and noncontributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one (1) or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit liability. Remeasurements which include cumulative actuarial gains and losses, are recognized directly in other comprehensive income and is also presented under equity in the statements of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

The retirement benefit obligation recognized in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by an actuary using the PUCM. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit obligation.

4.10 Revenue Recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.10.01 Performance Obligations Satisfied Over Time

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, when the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

Revenue is measured at the fair value of the consideration received or to be received and represents amounts receivable for services provided in the normal course of business.

Revenue is derived from membership dues, sports club, restaurant operations, hotel operations, playing rights and transfer fees.

4.11 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase in liability has arisen that can be measured reliably.

4.12 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions apply:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly controlled by the person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.13 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.13.01 Current Tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.13.02 Deferred Tax

Deferred tax is recognized as temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused excess MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.13.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.14 Basic Earnings (Loss) per Share

The Company computes its basic earnings (loss) per share by dividing net income or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.15 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Note 2.01 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Company's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

5.01.01 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation upon giving the right to the members to access and use the club's amenities, which could occur over time.

Revenue is derived from membership dues, sports club, restaurant operations, hotel operations, playing rights and transfer fees. The Company recognizes revenue over time, this is when the clients simultaneously receive and consume the benefits provided by the Company's performance as the Company performs.

In 2024, 2023 and 2022, revenue earned from operations amounted to ₱311,878,121, ₱259,324,818 and ₱192,743,770, respectively, as disclosed in Note 14.

5.01.02 Assessment of the Transaction Price and the Amounts Allocated to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price is not applicable since membership dues and service charge for golf, hotel, and food and beverages operations have one performance obligation each.

5.01.03 Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount outstanding.

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest that are consistent with basic lending arrangement. The carrying amounts of financial assets measured at amortized costs amounted to ₱52,652,030 and ₱32,161,019 as of December 31, 2024 and 2023, respectively, as disclosed in Note 25.02.

5.01.04 Assessment of 30 days Rebuttable Presumption

An entity determines when a significant increase in credit risk occurs on its financial assets based on the credit management practice of the entity.

Management believes that the 30 days rebuttable presumption is not applicable since based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.05 Assessment of 90 days Rebuttable Presumption

The Company determines when a default occurs on its financial assets based on the credit management practice of the Company.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is applicable since for those members who are delinquent for more than 90 days and with more than ₱100,000, Management will assess if the said shares of the members will be subjected for write-off.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Company's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of: a significant change in how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date.

The useful lives of the Company's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The Company uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Company expects to consume an asset's future economic benefits, the Company shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there were no changes from the previous estimates since the most recent annual reporting period. As of December 31, 2024 and 2023, the carrying values of depreciable property and equipment are ₱666,493,234 and ₱668,213,386, respectively, as disclosed in Note 9.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of advances to officers and employees presented under 'trade and other receivables – net', prepayment and other current assets and property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

In both years, Management believes that there were no impairment indicators present in its advances to officers and employees presented under 'trade and other receivables – net', prepayments and other current assets and its property and equipment. As of December 31, 2024 and 2023, the aggregate carrying amounts of the aforementioned assets amounted to ₱1,117,281,319 and ₱1,120,702,796, respectively, as disclosed in Notes 7, 8 and 9.

5.02.03 Non-recognition of Deferred Tax Assets

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to expiration.

In both years, the Management believes that the Company will not be able generate future taxable profits to allow all or part of its deferred tax assets to be utilized prior to expiration, hence the Company did not recognize deferred tax assets. Amounts of deferred tax assets not recognized as of December 31, 2024 and 2023 are ₱16,003,292 and ₱14,859,703, respectively, as disclosed in Note 20.

5.02.04 Estimating Allowance for Expected Credit Losses of Financial Assets

The Company evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience, available financial information, and current and forecast macro-economic information

The Company uses credit ratings, the performance of banking industry, macro-economic and banks' financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the estimated expected credit loss on cash in banks is nil in both years.

Management estimates the proportion of the financial assets that have experienced a significant increase in credit risk using general information and calculate expected credit losses on that basis. A number of qualitative and quantitative factors may be considered to adjust the allowance for credit losses to reflect a more considerable value. This includes behavior of the collection of receivables and financial status of the members that considers the past events and current members' capacity, respectively. To measure the expected credit losses, the Company uses three (3) components for calculations, the probability of default, the loss given default, and the exposure at default as disclosed in Note 25.02.

The Management believes that there was no significant change in credit quality and the amounts are still considered recoverable. Hence, no additional allowance for expected credit loss was recognized in 2024 and 2023. As of December 31, 2024 and 2023, allowance for expected credit losses amounted to ₱16,011,236, as disclosed in Notes 7 and 25.02.

As of December 31, 2024 and 2023, the carrying amounts of financial assets measured at amortized costs amounted to ₱52,652,030 and ₱32,161,019, respectively, as disclosed in Note 25.02.

5.02.05 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Club believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

Retirement benefits amounted to ₱60,257, ₱425,313, and ₱372,779, in 2024, 2023 and 2022, respectively, as disclosed in Note 18. As of December 31, 2024 and 2023, retirement benefit obligation amounted to ₱296,446 and ₱206,075, respectively, as disclosed in Note 18. Remeasurement gain (loss) amounting to ₱(30,114), ₱(1,050,848) and ₱359,522 were recognized in other comprehensive income for the years ended December 31, 2024, 2023 and 2022, respectively, as disclosed in Note 18.

6. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and cash in banks.

Cash at the end of each reporting period as shown in the statements of cash flows can be reconciled to the related item in the statements of financial position as follows:

		2024		2023
Cash on hand	₱	**105,000**	₱	105,000
Cash in banks		**29,228,894**		10,623,606
	₱	**29,333,894**	₱	10,728,606

Cash in banks earn interest at floating rate based on daily bank deposit. Finance income earned from bank deposit amounted to ₱19,209, ₱14,522 and ₱10,737 in 2024, 2023 and 2022, respectively, as disclosed in Note 16. In 2024, 2023, and 2022, unrealized foreign exchange gain amounted to ₱34,529, ₱8,781 and ₱7,481, respectively, as disclosed in Note 16.

7. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

		2024		2023
Trade	₱	**38,522,724**	₱	37,065,873
Allowance for expected credit losses (Note 25)		**(16,011,236)**		(16,011,236)
		22,511,488		21,054,637
Advances to officers and employees		**1,041,391**		842,738
Others		**911,648**		482,776
	₱	**24,464,527**	₱	22,380,151

Trade pertains to receivables from members for their privilege to use the amenities of the Golf Club and receivable from security, credit cards and others. Receivable from credit cards are payments through credit card by customers to be credited directly to the Company's bank account. The average credit period is 90 days.

Management believes that there was no significant change in credit quality and the amounts are still considered recoverable. Hence, no additional allowance for expected credit loss was recognized in 2024 and 2023.

Others pertain to the receivable from hotel, food and beverages operations of the Company with Mount Malarayat Residential and Home Owners Association, Inc. (MMRHAI) and clients.

Aging of accounts that are past due but not impaired is as follows:

		2024		2023
1 – 30 days	₱	**11,349,574**	₱	10,597,324
31 – 90 days		**2,106,821**		2,055,790
Over 90 days		**9,966,741**		9,727,037
	₱	**23,423,136**	₱	22,380,151

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

8. PREPAYMENT AND OTHER CURRENT ASSETS

The details of the Company's prepayment and other current assets are shown below:

		2024		2023
Prepaid tax	₱	**10,331,456**	₱	10,108,707
Excess tax credits		**91,922**		706,209
Input VAT		-		1,508,440
	₱	**10,423,378**	₱	12,323,356

Prepaid tax pertains to advance payment for real property tax.

Input VAT arises from the purchase of goods or services and was netted against output VAT amounting to ₱29,393,292 and ₱23,193,530 in 2024 and 2023, respectively.

9. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment as of December 31, 2024 and 2023 are as follows:

	Land	Golf and Country Clubhouse	Golf Course and Land Improvements	Furniture, Fixtures and Equipment	Total
January 1, 2023					
Cost	₱ 439,323,316	₱ 678,942,517	₱ 888,978,478	₱ 94,499,481	₱ **2,101,743,792**
Accumulated depreciation	-	(323,486,882)	(588,835,525)	(85,854,066)	**(998,176,473)**
Carrying amount	**439,323,316**	**355,455,635**	**300,142,953**	**8,645,415**	**1,103,567,319**
Movements during 2023					
Balance, January 1	439,323,316	355,455,635	300,142,953	8,645,415	**1,103,567,319**
Additions	-	20,884,984	6,591,429	7,372,958	**34,849,371**
Depreciation	-	(13,662,401)	(14,589,674)	(2,627,913)	**(30,879,988)**
Balance at December 31, 2023	**439,323,316**	**362,678,218**	**292,144,708**	**13,390,460**	**1,107,536,702**
December 31, 2023					
Cost	439,323,316	699,827,501	895,569,907	101,872,439	**2,136,593,163**
Accumulated depreciation	-	(337,149,283)	(603,425,199)	(88,481,979)	**(1,029,056,461)**
Carrying amount	**439,323,316**	**362,678,218**	**292,144,708**	**13,390,460**	**1,107,536,702**
Movements during 2024					
Balance, January 1	439,323,316	362,678,218	292,144,708	13,390,460	**1,107,536,702**
Additions	-	14,184,493	10,407,920	8,242,918	**32,835,331**
Depreciation	-	(14,279,299)	(14,905,854)	(5,370,330)	**(34,555,483)**
Balance at December 31, 2024	**439,323,316**	**362,583,412**	**287,646,774**	**16,263,048**	**1,105,816,550**
December 31, 2024					
Cost	439,323,316	714,011,994	905,977,827	110,115,357	**2,169,428,494**
Accumulated depreciation	-	(351,428,582)	(618,331,053)	(93,852,309)	**(1,063,611,944)**
Carrying amount	₱ **439,323,316**	₱ **362,583,412**	₱ **287,646,774**	₱ **16,263,048**	₱ **1,105,816,550**

All additions in 2024, 2023 and 2022 amounting to ₱32,835,331, ₱34,849,371 and ₱19,065,805 were paid in cash.

Depreciation is allocated as follows:

		2024		2023		2022
Direct costs (Note 15)	₱	**25,916,612**	₱	23,159,991	₱	24,995,247
Operating expenses (Note 17)		**8,638,871**		7,719,997		8,331,749
	₱	**34,555,483**	₱	30,879,988	₱	33,326,996

In both years, Management believes that there is no indication of impairment that has occurred to its property and equipment.

10. TRADE AND OTHER PAYABLES

This account consists of the following:

		2024		2023
Trade	₱	**68,856,615**	₱	55,048,197
Unearned revenue		**6,921,347**		5,314,966
Payable to regulatory agencies		**2,311,295**		654,249
Event deposits		**1,332,066**		1,069,143
Christmas pledge payable		**1,061,219**		965,302
Trust fund for sports and games ties		**828,825**		3,180,448
Accrued expenses		**546,203**		4,140,614
Others		**207,136**		85,785
	₱	**82,064,706**	₱	70,458,704

Trade account consists mainly of payable to suppliers of goods and services for the operating requirements of the Company.

The average credit period on purchases of certain goods from suppliers is 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Unearned revenue pertains to the advance payment of foreign tourists for green fees.

Event deposits pertain to advance deposits that cover functions and events that are waiting for liquidation.

Trust funds for sports and games ties include advances made by the members that will be used for tournaments for the year.

Accrued expenses include accrued finance cost from loans payable which amounted to nil and ₱2,384,953 as of December 31, 2024 and 2023, respectively, as disclosed in Note 11.

11. LOANS PAYABLE

The details of the Company's loans payable are shown below:

		2024		2023
Current	₱	**18,454,141**	₱	10,787,374
Non-current		**10,648,889**		2,653,030
	₱	**29,103,030**	₱	13,440,404

Movements of the loans are as follows:

		2024		2023
Balance, January 1	₱	**13,440,404**	₱	21,727,779
Availments		**29,200,000**		5,000,000
Repayments		**(13,537,374)**		(13,287,375)
Balance, December 31	₱	**29,103,030**	₱	13,440,404

In 2024, 2023 and 2022, the Company availed several interest-bearing loans amounting to ₱29,200,000, ₱5,000,000 and ₱15,000,000, respectively, from Company's key management personnel, as disclosed in Note 12, for future developments such as renovation of club facilities, clubhouses and golf courses, all of which are unsecured and unguaranteed. The average payment period of a loan is from one (1) to five (5) years at an average imputed interest rate of 10% per annum.

In 2024, 2023 and 2022, the Company incurred finance cost amounting to ₱1,919,041, ₱2,172,778 and ₱3,041,852, respectively. The outstanding balance of accrued finance cost amounted to nil and ₱2,384,953 as of December 31, 2024 and 2023, respectively, formed part of accrued expenses, as disclosed in Note 10.

Finance costs paid on loans amounted to ₱4,303,994, ₱3,868,431 and ₱1,483,334 in 2024, 2023 and 2022, respectively.

In 2024, 2023 and 2022, repayments of loans amounted to ₱13,537,374, ₱13,287,375 and ₱15,153,703, respectively.

No ratios and threshold are required to be maintained related to the loans.

As of December 31, 2024 and 2023, the Company has complied with all the requirements and has no default payments.

12. RELATED PARTY TRANSACTIONS

Nature of relationship of the Company and its related parties are disclosed below:

Related Parties	Nature of Relationship
AVT Properties Inc. (AVTPI)	Under Common Control
Active Realty and Development Corporation (ARDC)	Under Common Control
ATF Property Management Inc. (APMI)	Under Common Control
Stockholders	Members of Key Management Personnel

Balances and transactions between the Company and its related parties are disclosed below:

12.01 Due to Related Parties

Balance of due to related parties are detailed as follows:

		2024		2023
Current	**₱**	**-**	₱	3,518,967
Non-current		**-**		2,639,225
	₱	**-**	₱	6,158,192

12.01.01 Under Common Control

Transactions with related parties under common control are as follows:

	December 31, 2024				December 31, 2023			
		Amounts/ Volume		**Outstanding Balance**		Amounts/ Volume		Outstanding Balance
ARDC								
Advances	**₱**	**-**	**₱**	**-**	₱	-	₱	6,158,192
APMI								
Concessionary fee		**23,571,429**		**-**		19,392,907		-
Direct costs		**35,600,222**		**-**		31,149,793		-
	₱	**59,171,651**	**₱**	**-**	₱	50,542,700	₱	6,158,192

In 2024, 2023 and 2022, payment of advances from related parties amounted to nil, ₱4,592,815 and ₱4,911,057, respectively.

In 2024, advances to ARDC were paid through offsetting that pertains to the payment of the auctioned shares, as disclosed in Note 27.

Advances from ARDC pertain to advances received to finance the Company's working capital requirements. No guarantees have been given in respect of the amounts owed to the related party.

The concessionary fee from APMI refers to the fee for operating and maintaining the hotel, country club and facilities of the Company.

As of December 31, 2024 and 2023, the outstanding balances, as part of current portion, amounting to nil and ₱3,518,967, respectively, are non-interest bearing, unsecured, due and demandable at any time and will be settled in cash.

As of December 31, 2024 and 2023, the outstanding balances as part of non-current portion amounting to nil and ₱2,693,225, respectively, are non-interest bearing, unsecured, due on more than two (2) years to five (5) years after the reporting period and will be settled in cash. No guarantees have been given with respect to the amount owed from related parties.

Aside from share in gross revenue, the Company also pay APMI the direct cost fee which refers to the cost of services such as arranging events, tournaments or other services aside from operating and maintaining the hotels and country club. These costs are billed by APMI to the Company on a monthly basis, as disclosed in Note 15.

In 2024, 2023 and 2022, APMI billed the Company on the costs related to the sports club amounting to ₱33,145,733, ₱31,723,967 and ₱19,329,506, respectively, as disclosed in Note 15.

In 2024, 2023 and 2022, APMI billed the Company on the costs related to the hotel operations amounting to ₱22,241,474, ₱16,286,668 and ₱15,810,577, respectively, as disclosed in Note 15.

In 2024, 2023 and 2022, APMI billed the Company on the costs related to the food and beverages amounting to ₱3,784,444 and ₱2,532,065 and ₱1,799,581, respectively, as disclosed in Note 15.

12.01.02 Key Management Personnel

Transactions with related parties under key management personnel are as follows:

	December 31, 2024		December 31, 2023	
	Amount/ Volume	**Outstanding Balance**	Amount/ Volume	Outstanding Balance
Loans (Note 11)	₱ **29,200,000**	₱ **29,103,030**	₱ 5,000,000	₱ 13,440,404

The loans are used to finance the Company's improvement of club facilities, clubhouses and golf courses. These are loans from its directors and officers which are unsecured, with an average imputed interest rate of 10% per annum and will be settled in cash, which is payable in one (1) to five (5) years.

In 2024, 2023 and 2022, the Company availed loans amounting to ₱29,200,000, ₱5,000,000 and ₱15,000,000, respectively, as disclosed in Note 11.

In 2024, 2023 and 2022, repayments of loans amounted to ₱13,537,374, ₱13,287,375 and ₱15,153,703, respectively, as disclosed in Note 11.

Finance cost incurred by the Company in 2024, 2023 and 2022 amounted to ₱1,919,041, ₱2,172,778 and ₱3,041,852, respectively and paid the portion of accrued finance cost amounted to ₱2,384,953, ₱1,377,236 and ₱715,176 as of December 31, 2024, 2023 and 2022, respectively.

Finance costs paid on loans amounted to ₱4,303,994, ₱3,868,431 and ₱1,483,334 in 2024, 2023 and 2022, respectively.

12.02 Remuneration of Key Management Personnel

The remuneration of the directors and other members of key management personnel of the Company are set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures*:

		2024		2023
Short-term benefits	₱	**3,451,883**	₱	2,477,225
Retirement benefits		**79,652**		1,241,093
	₱	**3,531,535**	₱	3,718,318

13. CAPITAL STOCK

13.01 Ordinary Shares

The details of the Company's ordinary shares are shown below:

		2024		2023
Authorized, Issued and fully paid – 4,000 shares	₱	**1,940,578,294**	₱	1,940,578,294

The Company's authorized capital stock consists of 4,000 no par value shares, divided into 2,000 Gold shares (inclusive of 11 Founders' shares) and 2,000 Silver shares.

These are divided into the following:

	2024			2023		
	Gold	**Silver**	**Total**	Gold	Silver	Total
Class A	**1,109**	**900**	**2,009**	1,109	900	2,009
Founders' shares	**11**	**-**	**11**	11	-	11
Class B	**200**	**200**	**400**	200	200	400
Class C	**680**	**900**	**1,580**	680	900	1,580
	2,000	**2,000**	**4,000**	2,000	2,000	4,000

The stated value of the Founders' shares, Gold shares and Silver shares is ₱20,000, ₱2,000, and ₱1,000, respectively. The Gold shares are divided into 1,120 Class A shares inclusive of the 11 Founders' shares, which may be sold to Filipino citizens (individuals) only; 200 Class B shares, which may be sold to Filipinos and Aliens (individuals); 680 Class C shares, 80 shares of which may be sold to Filipino corporations only and the remaining 600 shares may be sold to either domestic or foreign corporations.

The Silver shares are divided into 900 Class A shares, which may be sold to Filipino Citizens (individuals) only; 200 Class B shares, which may be sold to both Filipinos and Aliens (individuals); and 900 Class C shares, 600 shares of which may be sold to Filipino corporations only and the remaining 300 shares of which may be sold to either domestic or foreign corporations.

The Founders' shares were issued to ARDC and/or its nominees upon incorporation of the Company. As of December 31, 1997, the Company issued 1,360 Gold shares and 250 Silver shares in exchange for the land turned over and the advances made by ARDC for the development costs of the Company.

In 2012, the Company issued 900 silver shares as payment of the development cost and advances made by ARDC which amounted to ₱239,769,505. The Company did not file notice of exemption and/or secure approval on the conversion of these advances into equity pursuant to SRC Rule 10.1. Management believes that the Certificate of Permit to sell shares issued by the SEC on September 19, 1995 covers the entire subscription of the authorized capital stock.

No profits shall inure to the exclusive benefit of any of the Company's stockholders and no dividends shall be declared in their favor. Stockholders shall be entitled only to pro-rata share of the Company's assets upon dissolution or liquidation.

The stockholders are required to pay the monthly dues to meet the expenses for the general and operations of the Company and the maintenance and improvement of its premises and facilities apart from the prescribed fee for the actual use of the facilities. Owners of Gold shares shall be entitled to use all facilities of the Company, while owners of Silver shares can avail of the country club and all other sports facilities but not the golf course, golf facilities nor the golf clubhouse.

A holder of a share of stock of the Company is not an *ipso facto* member of the Company, and in the event that an application for membership of a stockholder is disapproved by the Board of Directors, his/her shares shall be disposed subject to the Company's right of first refusal.

13.02 History of Registration of Securities

On September 19, 1999, SEC issued a Certificate of Permit to Sell Shares of originally registered securities: 4,000 total shares of common stock divided into 2,000 Gold Shares and 2,000 Silver Shares.

14. REVENUE

An analysis of the Company's revenue for the years ended are as follows:

		2024		2023		2022
Food and beverages	**₱**	**93,941,121**	₱	74,559,323	₱	52,826,206
Sports club		**87,431,616**		77,179,361		47,431,380
Membership dues		**78,510,216**		70,550,900		62,354,740
Hotel operations		**12,955,533**		9,619,950		5,538,408
Others		**39,039,635**		27,415,284		24,593,036
	₱	**311,878,121**	₱	259,324,818	₱	192,743,770

Food and beverages pertain to the revenue from the restaurant operations and banquets in the function rooms, as disclosed in Note 22.01.03.

Sports club pertains to revenue recognized from members and non-members playing golf. In 2024, 2023 and 2022, revenue recognized from the agreement with Dynamic Sports Corporation amounted to ₱665,256, ₱504,290 and ₱346,920, respectively, as disclosed in Note 22. It also includes the proceeds and benefits derived from the use of playing rights of ARDC amounting to ₱12,951,152, ₱5,173,875 and ₱2,228,349 in 2024, 2023 and 2022, respectively, as disclosed in Note 21.

Membership dues pertain to the revenue recognized from the dues paid by the members of the club.

Hotel operations pertain to the revenue recognized from occupancy and operation of function rooms and events in the hotel and country club facilities.

Others pertain to revenue from golf cart parking, processing fee, transfer fee, laundry fee, locker rental fee, and other income arising from water station and club merchandise.

15. DIRECT COSTS

The following is an analysis of the Company's direct costs:

		2024		2023		2022
Food and beverages	₱	**80,691,319**	₱	69,988,064	₱	45,859,403
Sports club		**76,126,548**		53,277,906		36,169,879
Depreciation (Note 9)		**25,916,612**		23,159,991		24,995,247
Hotel operations		**22,241,474**		16,286,668		15,810,577
	₱	**204,975,953**	₱	162,712,629	₱	122,835,106

Food and beverages pertain to the costs incurred by Culinary Adventures Inc., as disclosed in Note 22. Food and beverages also include the direct costs billed by the APMI pertaining to function room rental on banquet events amounting to ₱3,784,444, ₱2,532,065 and ₱1,799,581, in 2024, 2023 and 2022, respectively as disclosed in Note 12.

Sports club includes the direct costs recognized from agreement with MGMI amounted to ₱28,928,571, ₱27,946,429 and ₱22,500,000, in 2024, 2023 and 2022, respectively, as disclosed in Note 22. Sports club also includes the direct costs recognized from agreement with APMI amounting to ₱33,145,733, ₱31,723,967 and ₱19,329,506, in 2024, 2023 and 2022, respectively as disclosed in Note 12.

Hotel operations include payment of direct cost fee to APMI for various services such as arranging events, tournaments or other services aside from operating and maintaining the hotels and country club. These costs are billed by APMI to the Company on a monthly basis. In 2024, 2023 and 2022, the total costs billed to APMI amounting to ₱22,241,474, ₱16,286,668 and ₱15,810,577, as disclosed in Note 12.

16. OTHER INCOME

Components of other income as disclosed in Note 6 are as follows:

		2024		2023		2022
Finance income	₱	**19,209**	₱	14,522	₱	10,737
Unrealized foreign exchange gain		**34,529**		8,781		7,481
	₱	**53,738**	₱	23,303	₱	18,218

17. OPERATING EXPENSES

The following is an analysis of the Company's operating expenses:

		2024		2023		2022
Power, light and water	₱	**24,320,861**	₱	28,252,900	₱	17,040,440
Short-term benefits (Note 18)		**10,731,597**		8,879,739		7,398,985
Contracted services		**11,611,730**		14,164,955		12,763,595
Special events		**10,862,497**		7,550,988		624,036
Taxes and licenses		**9,875,449**		4,180,484		3,866,266
Depreciation (Note 9)		**8,638,871**		7,719,997		8,331,749
Repairs and maintenance		**7,775,977**		3,145,031		6,067,645
Transportation and travel		**5,061,708**		5,441,689		2,035,148
Penalties, interest and bank charges		**4,099,535**		-		11,355
Consultancy and legal		**3,169,070**		2,691,454		1,926,087
Commission		**1,877,374**		2,031,077		1,404,039
Supplies		**1,857,127**		2,773,777		891,290
Communication		**918,447**		857,038		517,958
Insurance		**867,692**		867,692		951,121
Advertising		**184,205**		93,859		80,000
Retirement benefits (Note 18)		**60,257**		425,313		372,779
Others		**5,087,408**		6,919,409		3,656,573
	₱	**106,999,805**	₱	95,995,402	₱	67,939,066

Power, light and water pertain to the utilities used inside the country club to support its operation.

Contracted services pertain to the security services and contracted manpower to support the daily operations of the Company.

Others include sanitation expenses, service charges, other administrative expenses incurred on various events of the Company, and representations.

18. EMPLOYEE BENEFITS

Aggregate employee benefits expense comprised:

		2024		2023		2022
Short-term employee benefits (Note 18.01)	₱	**10,731,597**	₱	8,879,739	₱	7,398,985
Retirement employee benefits (Note 18.02)		**60,257**		425,313		372,779
	₱	**10,791,854**	₱	9,305,052	₱	7,771,764

18.01 Short-term Employee Benefits

Short-term employee benefits, as disclosed in Note 17, are comprised of:

		2024		2023		2022
Salaries and wages	₱	**6,606,913**	₱	5,950,698	₱	5,195,896
Other short-term benefits		**4,124,684**		2,929,041		2,203,089
	₱	**10,731,597**	₱	8,879,739	₱	7,398,985

Other short-term benefits pertain to SSS, PHIC and HDMF premium contributions, food subsidy and employee discounts.

18.02 Retirement Employee Benefits

The Company has an unfunded and noncontributory defined benefit plan for qualified employees. The Company has a single retirement plan under the regulatory framework of the Philippines. Under R.A. 7641 the Company is legally obliged to provide a minimum retirement pay for qualified employees upon retirement. The framework, however, does not have a minimum funding requirement. The Company's benefit plan is aligned with this framework. Under the plan, the employees are entitled to retirement benefits varying between 22.5 days pay for every year of credited service on attainment of a retirement age of sixty (60) years while early retirement age is fifty (50) and with ten (10) years of credited service. Payments for the unfunded benefits are borne by the Company as it falls due.

The most recent actuarial valuation of the present value of the defined benefit obligation (DBO) was carried out on February 20, 2025 by E.M. Zalamea Actuarial Services, Inc. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the PUCM.

There were no plan amendment, curtailment or settlement recognized for the years ended December 31, 2024 and 2023.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2024	2023
Discount rate	**6.09%**	6.12%
Expected rate of salary increase	**2.00%**	2.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 60.

	2024	2023
Retiring beyond twenty (20) years after the reporting period	**27**	26
Male	**19**	10
Female	**18**	16

The sensitivity analysis of the defined benefit obligation of changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2024			
Discount rate	**+100 bps**	**Decrease by 10.5%**	**Increase by 12.3%**
Salary increase rate	**+100 bps**	**Increase by 12.7%**	**Decrease by 11.0%**
2023			
Discount rate	+100 bps	Decrease by 12.1%	Increase by 14.8%
Salary increase rate	+100 bps	Increase by 14.3%	Decrease by 12.6%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows, as disclosed in Note 17:

		2024		2023		2022
Current service cost	**₱**	**47,645**	₱	209,261	₱	221,438
Interest cost on obligation		**12,612**		216,052		151,341
	₱	**60,257**	₱	425,313	₱	372,779

Reconciliation of remeasurements recognized in other comprehensive income is as follows:

		Change on Financial Assumption		Changes in Demographic Assumptions		Experience Adjustments		Remeasurement Gain (Loss)
Gain (Loss) balance at January 1, 2022	₱	316,162	₱	179,214	₱	(12,422)	₱	**482,954**
Amount recognized during the year		301,350		-		58,172		**359,522**
Gain balance at December 31, 2022		**617,512**		**179,214**		**45,750**		**842,476**
Amount recognized during the year		(27,144)		577,761		(1,601,465)		**(1,050,848)**
Gain (Loss) balance at December 31, 2023		**590,368**		**756,975**		**(1,555,715)**		**(208,372)**
Amount recognized during the year		(1,005)		-		(29,109)		**(30,114)**
Gain (Loss) balance at December 31, 2024	**₱**	**589,363**	**₱**	**756,975**	**₱**	**(1,584,284)**	**₱**	**(238,486)**

As of December 31, 2024 and 2023, retirement benefits obligation included in the statements of financial position arising from the entity's obligation in respect of its defined benefit plans amounted to ₱296,446 and ₱206,075, respectively.

Movements in the present value of the defined benefit obligation in both periods were as follows:

		2024		2023
Balance, January 1	**₱**	**206,075**	₱	2,992,414
Current service cost		**47,645**		209,261
Interest cost		**12,612**		216,052
Benefits paid directly from book reserve		-		(4,262,500)
Remeasurement loss		**30,114**		1,050,848
Balance, December 31	**₱**	**296,446**	₱	206,075

The Company's retirement plan is still unfunded, there are no plan assets to match against retirement benefit obligation.

19. INCOME TAXES

19.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2024		2023		2022
Current tax expense	**₱**	**2,138,219**	₱	1,449,295	₱	699,115
Deferred tax expense		**6,437**		324		1,174
	₱	**2,144,656**	₱	1,449,619	₱	700,289

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2024, 2023 and 2022 of 25%, are as follows:

		2024		2023		2022
Accounting loss	₱	**(1,962,940)**	₱	(1,532,688)	₱	(1,054,036)
Tax benefits at 25%		**(490,735)**		(383,172)		(263,509)
Tax effects of:						
Unrecognized deferred tax assets on:						
Excess MCIT		**2,138,219**		2,794,811		699,115
Retirement benefits		**15,064**		106,328		93,195
NOLCO		**(539,175)**		-		173,501
Non-deductible expenses		**1,024,884**		-		-
Finance cost		**1,201**		908		671
Retirement benefits paid		-		(1,065,625)		-
Finance income subjected to final tax		**(4,802)**		(3,631)		(2,684)
	₱	**2,144,656**	₱	1,449,619	₱	700,289

Details of NOLCO from 2022 and 2023 are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2022	₱	694,005	₱	-	₱	-	₱	-	₱	694,005	2025
2023		5,382,066		-		-		-		5,382,066	2026
	₱	**6,076,071**	**₱**	-	**₱**	-	**₱**	-	**₱**	**6,076,071**	

Details of NOLCO covered by Revenue Regulations No. 25-2020 are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2020	₱	18,274,321	₱	-	₱	2,156,697	₱	-	₱	16,117,624	2025
2021		8,365,274		-		-		-		8,365,274	2026
	₱	**26,639,595**	**₱**	-	**₱**	**2,156,697**	**₱**	-	**₱**	**24,482,898**	

The Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Details of the Company's excess MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred		Amount		Expired		Unapplied	Expiry Date
2021	₱	478,048	₱	478,048	₱	-	2024
2022		699,115		-		699,115	2025
2023		1,449,295		-		1,449,295	2026
2024		2,138,219		-		2,138,219	2027
	₱	**4,764,677**	**₱**	**478,048**	**₱**	**4,286,629**	

20. DEFERRED TAXES

20.01 Deferred Tax Assets

The components of the Company's unrecognized deferred tax assets and their respective movements are as follows:

		Retirement Benefit Obligation		NOLCO		Allowance for Expected Credit Losses		Excess MCIT		Total
Balance at January 1, 2023	₱	748,103	₱	6,833,400	₱	4,002,809	₱	1,509,214	₱	**13,093,526**
Unrecognized in profit or loss		(959,296)		1,345,517		-		1,117,244		**1,503,465**
Unrecognized in other comprehensive income		262,712		-		-		-		**262,712**
Balance at December 31, 2023		**51,519**		**8,178,917**		**4,002,809**		**2,626,458**		**14,859,703**
Unrecognized in profit or loss		15,064		(539,175)		-		1,660,171		**1,136,060**
Unrecognized in other comprehensive income		7,529		-		-		-		**7,529**
Balance at December 31, 2024	**₱**	**74,112**	**₱**	**7,639,742**	**₱**	**4,002,809**	**₱**	**4,286,629**	**₱**	**16,003,292**

20.02 Deferred Tax Liability

The components and respective movements of the Company's deferred tax liability arising from unrealized foreign exchange gain are as follows:

		2024		2023
Balance, January 1	**₱**	**2,195**	₱	1,871
Recognize in profit or loss		**6,437**		324
Balance, December 31	**₱**	**8,632**	₱	2,195

21. COMMITMENTS

The Company's Board of Directors resolved and ratified on June 27, 2002 the assignment of ARDC playing rights to the Company subject to the following terms and conditions:

a) The Company shall have the exclusive authority to lease or otherwise utilize the playing rights corresponding to the shares;

b) All proceeds and benefits derived from the use of the playing rights shall pertain to the Company;

c) Ownership of the shares shall always remain with ARDC but the Company shall have full discretion to manage, lease or otherwise utilize the playing rights; and

d) The assignment of the playing rights shall be effective for twenty five (25) years, from January 1, 2000 to December 31, 2024.

The proceeds and benefits derived from the use of playing rights of ARDC amounted to ₱12,951,152, ₱5,173,875 and ₱2,228,349 in 2024, 2023 and 2022, respectively, as disclosed in Note 14.

22. SIGNIFICANT CONTRACT AGREEMENTS

22.01 Golf Service Management, General Service Agreement and Supplementary Agreement

22.01.01 MJCARR Golf Management, Inc. (MGMI)

The Company entered into a Golf Management and General Services Agreement with MGMI on January 17, 2008. The latter will be rendering maintenance services for the golf course area and all other areas necessary under ordinary/normal conditions for its efficient operations. The contract was renewed on August 31, 2017 and subject to extension of another two (2) years upon approval of both parties. In 2020, both parties agreed that the contract shall be extended for a period of three (3) years from October 1, 2020 and shall end on September 30, 2023 renewable for another two (2) years upon mutual agreement of the parties in writing. In 2023, both parties agreed that the contract shall be extended from October 1, 2023 to September 30, 2026, renewable for another two (2) years upon mutual agreement of the parties in writing.

In 2024, 2023 and 2022, direct cost recognized from this agreement amounted to ₱28,928,571, ₱27,946,429 and ₱22,500,000, respectively, as disclosed in Note 15.

22.01.02 Dynamic Sports Corporation (DSC)

The Company entered into a memorandum of agreement with DSC on April 30, 2019 for a period of at least six (6) years contract renewable upon agreement of both parties. DSC is the appointed distributor of Titleist, FootJoy, Loudmouth and SKLZ products in the Philippines. Whereas DSC shall remit to the Company the monthly performance percentage, the computation shall be as follows:

a. From year one (1) to year three (3) – eight percent (8%) of the net invoice sales per month

   From year four (4) to year six (6) – ten percent (10%) of the net invoice sales per month

b. DSC shall deduct ten percent (10%) withholding tax from the computed performance percentage of Lessor as required by law.

c. DSC shall remit the monthly performance percentage to the Company on or before the 15th of each succeeding month.

d. Both parties may conduct Ad Hoc Promotional activities to boost the sales of the Empire Golf & Sports Shop. On such activities, however, DSC shall only remit a five percent (5%) performance percentage to the Company based on net invoice sales.

e. A notice relative to promotional campaign will be issued to the Company at least one (1) week prior to the commencement of the activity.

In 2024, 2023 and 2022, revenue recognized from this agreement amounted to ₱665,256, ₱504,290 and ₱346,920, respectively, as disclosed in Note 14.

22.01.03 Culinary Adventures Inc.

The Company entered into an agreement with Culinary Adventures Inc. that caters to hotels, restaurants and golf and country clubs, to supply and operate the food and beverages (F&B) in the sand trap, eagle lounge, green rooms, half-way houses, driving range food outlet and tee houses located within the Company (herein collectively referred to as "Club Facilities"). This agreement is valid for three (3) years from October 1, 2019 until November 30, 2021 unless renewed or extended in writing within sixty (60) days prior to expiration. In 2021, the Company renewed its agreement for another three (3) years. In 2024, upon expiration, the Company agreed to extend the agreement under the same terms and conditions for a period of one month while the actual and final renewal is still under review.

The Company shall collect ten percent (10%) on all F&B revenues (excluding service charge and discounts) generated from the operation of Sand Trap, Half Way House (Japanese-Korean Restaurant), Tea Houses, and food and beverages from all banquet events.

In 2024, 2023 and 2022, revenue recognized from this agreement amounted to ₱93,941,121, ₱74,559,323 and ₱52,826,206, respectively, as disclosed in Note 14. The Company incurred cost of sales in 2024, 2023 and 2022 amounting to ₱76,906,875, ₱67,455,999 and ₱44,059,822, respectively, as disclosed in Note 15.

22.01.04 ATF Property Management Inc. (APMI)

The Company entered into a memorandum of agreement with APMI on January 1, 2020, whereas the Company appointed the latter to operate and maintain the club hotel, country club and golf club facilities for the period of three (3) years starting on January 1, 2020 until December 31, 2022. On January 1, 2023, both parties decided to revise the contract and will be effective until December 31, 2023. On January 1, 2024, both parties revised the contract, the following terms will be effective until December 31, 2033.

Integral to the delivery of services by APMI, the Company shall:

a. Pay the latter a monthly service fee of ₱2,200,000 inclusive of government taxes covering services, manpower, and supplies in two (2) equal payments dated every 15th and 30th of the month;

b. Collect golf cart rental revenues and promptly remit to APMI;

c. Maintain and operate club hotel facilities, golf club facilities, country club facilities, sports facilities, all parking areas, roof cleaning and activity center;

d. Ensure complete supply of consumables at all public areas;

e. Ensure availability of necessary equipment for janitorial and maintenance services;

f. To provide a complete engineering team that will monitor and perform duties such as performing minor repair and maintenance duties in line with the Company's day-to-day operations and performing preventive maintenance on the Company's equipment;

g. To provide a complete sales and marketing team that will monitor and perform duties such as performing sales call and marketing activities and to get event bookings.

Concessionary fees incurred amounted to ₱23,571,429, ₱19,392,907 and ₱13,168,573, in 2024, 2023 and 2022, respectively, as disclosed in Note 12.01.01.

23. LOSS PER SHARE

The Company's basic loss per share is ₱1,027, ₱746 and ₱439 as of December 31, 2024, 2023 and 2022, respectively.

Loss and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2024	2023	2022
Loss used in the calculation of total basic loss per share	**₱ 4,107,596**	₱ 2,982,307	₱ 1,754,325
Weighted average number of ordinary shares for the purpose of basic loss per share	**4,000**	4,000	4,000

Diluted earnings per share equal the basic earnings per share since the Company does not have dilutive shares as of December 31, 2024, 2023 and 2022.

24. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of December 31, 2024 and 2023 are presented below:

	2024		2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets:				
Cash	₱ **29,333,894**	₱ **29,333,894**	₱ 10,728,606	₱ 10,728,606
Trade and other receivables – net	**23,423,136**	**23,423,136**	21,537,413	21,537,413
	₱ **52,757,030**	₱ **52,757,030**	₱ 32,266,019	₱ 32,266,019
Financial Liabilities:				
Trade and other payables	₱ **72,003,239**	₱ **72,003,239**	₱ 61,309,041	₱ 61,309,041
Due to related parties	-	-	6,158,192	6,158,192
Loans payable	**29,103,030**	**29,103,030**	13,440,404	13,440,404
	₱ **101,106,269**	₱ **101,106,269**	₱ 80,907,637	₱ 80,907,637

Due to demand feature of cash and short-term maturities of trade and other receivables (except advances to officers and employees), trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies) and due to related parties, Management believes that the fair values approximate the carrying amounts as of December 31, 2024 and 2023.

Loans payable is interest bearing. The interest rates approximate the market interest rates; hence, Management believes that the amortized cost approximates the fair value.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's Management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, interest rate risk, credit risk and liquidity risk.

Management established policies to manage the risks associated with financial instruments. Its overall risk management program is focused on the unpredictability of developments on the financial markets and seeks to minimize potential adverse effects on its financial position.

Management is in close cooperation with the Board of Directors and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

25.01 Market Risk Management

25.01.01 Interest Rate Risk Management

The Company's exposure to interest rate risk arises from loans payable which are subject to a fixed interest rate and from its cash in bank which is subject to variable interest rates. The interest rate risk arising from loans and cash in banks is managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

The Company's losses for the years ended December 31, 2024, 2023 and 2022 would have been unaffected since the Company has no borrowings at variable rates and interest rate risk exposure for its cash in bank, which is subject to variable rate, is immaterial.

25.02 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash in banks and trade and other receivables (except advances to officers and employees).

The Company considers the following policies to manage its credit risk:

- Cash in Banks

  The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

- Trade and Other Receivables

  The Company bills all members monthly. If any bill remains unpaid by the end of the month following that in which the bill was incurred, the Company shall notify the member that if his/her bill is not paid by the end of the succeeding month his/her name will be posted as delinquent the following day at the Clubhouse Bulletin Board. Delinquent accounts shall be charged by carrying fees, interests and surcharges. Members on the delinquent list for more than ninety (90) days and who have an outstanding balance of ₱100,000 or more, shall be reported to the Board and their shares or the shares of the juridical entities they represent shall thereafter be ordered and sold by the Board at an auction to satisfy the claims of the Company. The Company did not hold auction proceedings during the year. A member may pay his/her overdue account at any time before the auction sale.

The carrying amounts of financial assets measured at amortized costs are as follows:

		2024		2023
Cash in banks	₱	**29,228,894**	₱	10,623,606
Trade and other receivables – net		**23,423,136**		21,537,413
	₱	**52,652,030**	₱	32,161,019

The calculation of allowance for expected credit losses is based on the following three (3) components:

- Probability of Default (PD)

  PD is the likelihood over a specified period, usually one year, that a client will not be able to make scheduled repayments. PD depends not only on the client's characteristics, but also on the economic environment. PD is estimated using historical data.

➢ Loss Given Default (LGD)

LGD is the amount of money a company loses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

➢ Exposure at Default (EAD)

EAD is the total value a company is exposed to when a loan defaults. It refers to the gross carrying amount of financial assets.

Below is the summary of computation of allowance for expected credit losses in 2024:

	PD rate	**LGD rate**		**EAD**		**ECL**
	a	***b***		***c***		***d=a*b*c***
Cash in banks	**0.00%**	**0.00% to 96.47%**	**₱**	**29,228,894**	**₱**	**-**
Trade and other receivables – net	**0.00% to 45.95%**	**100.00%**		**39,434,372**		**16,011,236**
			₱	**68,663,266**	**₱**	**16,011,236**

Below is the summary of computation of allowance for expected credit losses in 2023:

	PD rate	LGD rate		EAD		ECL
	a	*b*		*c*		*d=a*b*c*
Cash in banks	0.00%	0.00% to 93.23%	₱	10,623,606	₱	-
Trade and other receivables – net	0.00% to 45.95%	100.00%		37,548,649		16,011,236
			₱	48,172,255	₱	16,011,236

Cash in Banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Company estimated the probability of default to be nil in both years.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 96.47% and 0.00% to 93.23% in 2024 and 2023, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade and Other Receivables

The Company determined the probability of default rate by considering the following: the schedules of collections for the past three years; the past, current, and forecast performance of each customer's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. In 2024 and 2023, the corresponding probability of default is estimated to be about 0.00% to 45.95%, respectively, given the historical experience of the Company in handling these customers' accounts, this is adjusted to current and forecast information.

The loss given default rate is 100.00% for all clients because the Company does not obtain collateral for these transactions in both years.

Exposure at default is equal to the gross carrying amount of trade and other receivables.

The Company did not recognize additional provision for expected credit losses since the Management believed that amount is sufficient in 2024 and 2023. Allowance for expected credit losses as of December 31, 2024 and 2023 amounted to ₱16,011,236, as disclosed in Note 7.

25.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	One (1) to Five (5) Years	Total
December 31, 2024					
Trade and other payables	**-**	₱ -	₱ **72,003,239**	₱ -	₱ **72,003,239**
Loans payable	**10.00%**	-	**18,454,141**	**10,648,889**	**29,103,030**
		₱ -	₱ **90,457,380**	₱ **10,648,889**	₱ **101,106,269**
December 31, 2023					
Trade and other payables	-	₱ -	₱ 61,309,041	₱ -	₱ 61,309,041
Due to related parties	-	-	-	6,158,192	6,158,192
Loans payable	10.00%	-	10,787,374	2,653,030	13,440,404
		₱ -	₱ 72,096,415	₱ 8,811,222	₱ 80,907,637

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate		On Demand		Within One (1) Year		Total
December 31, 2024							
Cash on hand	-	₱	**105,000**	₱	-	₱	**105,000**
Cash in banks	**Floating rate**		**29,228,894**		-		**29,228,894**
Trade and other receivables – net	-		-		**23,423,136**		**23,423,136**
		₱	**29,333,894**	₱	**23,423,136**	₱	**52,757,030**
December 31, 2023							
Cash on hand	-	₱	105,000	₱	-	₱	105,000
Cash in banks	Floating rate		10,623,606		-		10,623,606
Trade and other receivables – net	-		-		21,537,413		21,537,413
		₱	10,728,606	₱	21,537,413	₱	32,266,019

26. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The unfavorable results in the Company's operations in previous years made the Management entered into agreements with outside parties to administer, to operate and maintain the golf and sports club, restaurant and hotel operations. The Company aims to earn revenue and minimize costs by entering to these agreements to administer the operations that can help out to satisfy debts and increase working capital requirements. The Company's strategy remained unchanged from 2023.

The capital structure of the Company consists of net debt (comprising of total liabilities offset by only cash in bank balances as disclosed in Notes 6, 10, 11, 12, 18 and 20) and equity of the Company (comprising issued capital stock, deficit and remeasurements as disclosed in Notes 13 and 18).

The Company reviews its capital structure on an annual basis. As part of this review, the Company considers the cost of capital, and the risks associated with each class of capital. The Company has a target gearing ratio of 3:1 determined as the proportion of net debt to equity.

The gearing ratio at end of the reporting period was as follows:

		2024		2023
Debt	₱	**111,472,814**	₱	90,265,570
Cash		**29,333,894**		10,728,606
Net debt		**82,138,920**		79,536,964
Equity		**1,058,565,535**		1,062,703,245
Net debt to equity ratio		**0.08:1**		0.07:1

27. NON-CASH TRANSACTIONS

In 2024, the Company engaged in a non-cash financing transaction that is not reflected in the statements of cash flows. During the year, ARDC acquired auctioned shares through a bidding process. The settlement for these shares was executed via an offset arrangement, wherein the purchase price was applied against the Company's outstanding payable to ARDC amounted to ₱6,158,192, as disclosed in Note 12.

28. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing is as follows:

		2024		2023
Balance, January 1	₱	**21,983,549**	₱	36,559,392
Changes from financing cash flows:				
Proceeds from loan		**29,200,000**		5,000,000
Finance cost incurred		**1,919,041**		2,172,778
Payment of advances to related parties		-		(4,592,815)
Finance cost paid		**(4,303,994)**		(3,868,431)
Offsetting of payment against advances to related parties		**(6,158,192)**		-
Repayments of loans payable		**(13,537,374)**		(13,287,375)
Balance, December 31	₱	**29,103,030**	₱	21,983,549

29. RECLASSIFICATIONS OF COMPARATIVE AMOUNTS

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation. The reclassifications include comparative amount of ₱20,885,513 previously presented in the Company's financial statements as part of others in revenues which has been reclassified to sports club in revenues. The reclassifications include comparative amount of ₱7,063,970 previously presented in the Company's financial statements as part of hotel operations in revenues which has been reclassified to food and beverages in revenues. The reclassifications include comparative amount of ₱2,584,298 previously presented in the Company's financial statements as part of hotel operations in direct costs which has been reclassified to food and beverages in direct costs. The reclassification is based on Management's assessment of nature and policies

Current Year Classification	Previous Year Classification	Amount
Revenues	**Revenues**	
Sports club	Others	20,885,513
Food and beverages	Hotel operations	7,063,970
Direct costs	**Direct costs**	
Food and beverages	Hotel operations	2,584,298

Management believes that the above reclassifications resulted in a better presentation of accounts and did not have any impact on prior year's profit or loss.

30. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on April 10, 2025.

31. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS

31.01 Revenue Regulations No. 15-2010

The Bureau of Internal Revenue (BIR) released a revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on Notes to Financial Statements. The following are the disclosures required by the said Regulation:

31.01.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2024 are as follows:

31.01.01.01 Output VAT

The Company is VAT-registered with an output VAT declaration of ₱26,260,380 for the year based on its collections derived from sports club revenue, food and beverage, hotel operations, and others.

The Company has zero-rated/exempt sales amounting to ₱67,365,561 pursuant to the provisions of (1) Supreme Court (SC) decision (per G.R. 228539) for the VAT-exemption of all membership dues collections by non-profit recreational clubs; (2) Expanded Seniors Citizen's Act of 2020 and other provisions applicable thereof.

31.01.01.02 Input VAT

An analysis of Company's input VAT claimed during the year is as follows:

Balance, January 1	₱	1,508,440
Current year's domestic purchases/payments for:		
Domestic purchased of services		3,604,674
Domestic purchase of good other than capital goods		24,197,561
Services lodged in other accounts		82,617
Total available input VAT		**29,393,292**
Applied against output VAT		29,393,292
Balance, December 31	**₱**	-

31.01.01.03 Other Taxes and Licenses

An analysis of the Company's other taxes and licenses are as follows:

Real property taxes	₱	9,333,526
Permit fees		322,923
Documentary stamp taxes		219,000
	₱	**9,875,449**

31.01.01.04 Withholding Taxes

An analysis of the Company's withholding taxes paid or accrued during the year is as follows:

Expanded withholding taxes	₱	4,505,837
Withholding tax on compensation and benefits		140,505
	₱	**4,646,342**

Expanded withholding taxes normally arise from the Company's purchase of security services, contractors and professional fees.

31.01.01.05 Deficiency Tax Assessments and Tax Cases

On April 5, 2024, the Company received a Letter of Authority for all internal revenue taxes including documentary stamp tax and other taxes for the taxable year covering January 1, 2021 to December 31, 2021.

The Company paid a total of ₱4,099,535 for all the deficiencies found by the revenue officer; thus, the Letter of Authority for the taxable year 2021 is now closed.

31.02 Revenue Regulations No. 19-2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form No. 1702 setting forth the following schedules. Below are the disclosures required by the said Regulation:

31.02.01 Revenues

An analysis of the Company's revenues for the taxable year is as follows:

Food and beverages	₱	93,941,121
Sports club		87,431,616
Membership dues		78,510,216
Hotel operations		12,955,533
Others		39,039,635
	₱	**311,878,121**

31.02.02 Direct Cost

The following is an analysis of the Company's cost of services for the taxable year:

Food and beverages	₱	80,691,319
Sports club		76,126,548
Depreciation		25,916,612
Hotel operations		22,241,474
	₱	**204,975,953**

31.02.03 Other Income

The Company's other income for the taxable year pertains to the foreign exchange gain amounting to ₱8,781.

31.02.04 Itemized Deductions

The following is an analysis of the Company's itemized deductions for the taxable year:

Power, light and water	₱	24,320,861
Short-term benefits		10,731,597
Contracted services		11,611,730
Special events		10,862,497
Taxes and licenses		9,875,449
Depreciation		8,638,871
Repairs and maintenance		7,775,977
Transportation and travel		5,061,708
Consultancy and legal		3,169,070
Finance cost		1,914,239
Commission		1,877,374
Supplies		1,857,127
Communication		918,447
Insurance		867,692
Advertising		184,205
Others		5,087,408
	₱	**104,754,252**

31.02.05 Application of NOLCO

In 2024, the Company applied NOLCO amounting to ₱2,156,697.

31.03 Revenue Regulations No. 34-2020

Revenue Regulations (RR) No. 34-2020 prescribes the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending for this purpose pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is covered by the requirements and procedures for related transactions provided in RR No. 34-2020.

PKF
R.S. Bernaldo & Associates

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INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

We have audited the financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 on which we have rendered the attached report dated April 10, 2025.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2023
Valid from January 31, 2023 until January 30, 2026
IC Group A Accredited
Accreditation No. 0300-IC
Valid until 2026 audit period

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
BSP Group B Accredited
Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Accreditation No. 102934-IC
Valid until 2024 audit period
PTR No. 10481164
Issued on January 15, 2025 at Makati City

April 10, 2025

PKF
R.S. Bernaldo & Associates

R.S. Bernaldo & Associates
18/F Cityland Condominium 10
Tower 1, 156 H.V. dela Costa St.,
Ayala North, Makati City,
Philippines 1226

+632 8812-1718 to 22
info@pkfrsbernaldo.com
www.pkfrsbernaldo.com

REPORT ON THE SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

We have issued our report dated April 10, 2025 on the basic financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** as of and for the period December 31, 2024. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** taken as a whole. The information in the index to the financial statements and supplementary schedules as of and for the year ended December 31, 2024, which is not a required part of the financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
BSP Group B Accredited
Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2023
Valid from January 31, 2023 until January 30, 2026
IC Group A Accredited
Accreditation No. 0300-IC
Valid until 2026 audit period

2. 9. 25

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
BSP Group B Accredited
Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Accreditation No. 102934-IC
Valid until 2024 audit period
PTR No. 10481164
Issued on January 15, 2025 at Makati City

April 10, 2025

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE A - SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name of issuing entity and association of each issue *(i)*	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *(ii)*	Value based on market quotations at end of reporting period *(iii)*	Income received or accrued
None to Report				

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE B - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name and Designation of Debtor *(i)*	Balance at beginning of period	Additions	Amounts Collected *(ii)*	Amounts Written-off *(iii)*	Current	Non-Current	Balance at end of period
None to Report							

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE C - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected *(i)*	Amounts written off *(ii)*	Current	Non-Current	Balance at the end of the period
None to Report							

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE D - SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
None to Report						

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE E - SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
AS OF DECEMBER 31, 2024

Title of issue and type of obligation *(i)*	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related Statement of Financial Position *(ii)*	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position *(iii)*
Loans payable	N/A	18,454,141.00	10,648,889.00

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE F - SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
LONG-TERM LOANS FROM RELATED COMPANIES
AS OF DECEMBER 31, 2024

Name of Related Parties *(i)*	Balance at beginning of period	Balance at end of period *(ii)*
Active Realty and Development Corp.	6,158,192.00	-

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE G - SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS OF DECEMBER 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding *(i)*	Amount owned by person of which statement is filed	Nature of guarantee *(ii)*

None to Report

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE H - SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

Title of Issue *(i)*	Number of shares authorized	Number of shares issued and outstanding as shown under the related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties *(ii)*	Directors, officers and employees	Others *(iii)*
Gold	2,000	2,000	N/A	1,224	776	N/A
Silver	2,000	2,000	N/A	1,942	58	N/A
	4,000	4,000	N/A	3,166	834	N/A

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023	2022
A.	**SHORT-TERM LIQUIDITY RATIO**			
	CURRENT RATIO	0.64	0.54	0.70
	Current Assets	64,221,799	45,432,113	45,857,753
	Current Liabilities	100,518,847	84,765,045	65,128,787
	WORKING CAPITAL TO ASSETS	(0.03)	(0.03)	(0.02)
	(Current Assets - Current Liabilities)	(36,297,048)	(39,332,932)	(19,271,034)
	Total Assets	1,170,038,349	1,152,968,815	1,149,425,072
B.	**LONG-TERM SOLVENCY**			
	ASSET TO EQUITY	1.11	1.08	1.08
	Total Assets	1,170,038,349	1,152,968,815	1,149,425,072
	Shareholders' Equity	1,058,565,535	1,062,703,245	1,066,736,400
	DEBT TO EQUITY	0.11	0.08	0.08
	Total Liabilities	111,472,814	90,265,570	82,688,672
	Shareholders' Equity	1,058,565,535	1,062,703,245	1,066,736,400
	LONG-TERM DEBT TO EQUITY	0.010	0.005	0.016
	Long-Term Debt	10,953,967	5,500,525	17,559,885
	Shareholders' Equity	1,058,565,535	1,062,703,245	1,066,736,400
	FIXED ASSETS TO EQUITY	1.04	1.04	1.03
	(Fixed Assets - Accumulated Depreciation)	1,105,816,550	1,107,536,702	1,103,567,319
	Shareholders' Equity	1,058,565,535	1,062,703,245	1,066,736,400
	CREDITORS EQUITY TO TOTAL ASSETS	0.10	0.08	0.07
	Total Liabilities	111,472,814	90,265,570	82,688,672
	Total Assets	1,170,038,349	1,152,968,815	1,149,425,072
	FIXED ASSETS TO LONG-TERM DEBT	100.95	201.35	62.85
	(Fixed Assets - Accumulated Depreciation)	1,105,816,550	1,107,536,702	1,103,567,319
	Long-Term Debt	10,953,967	5,500,525	17,559,885

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

		2024	2023	2022
C.	**RETURN ON INVESTMENTS**			
	RATE OF RETURN ON TOTAL ASSETS	(0.00)	(0.00)	(0.00)
	Net Loss	(4,107,596)	(2,982,307)	(1,754,325)
	Average Total Assets	1,161,503,582	1,151,196,944	1,154,061,991
	RATE OF RETURN ON EQUITY	(0.00)	(0.00)	(0.00)
	Net Loss	(4,107,596)	(2,982,307)	(1,754,325)
	Average Stockholders' Equity	1,060,634,390	1,064,719,823	1,067,433,802
D.	**PROFITABILITY RATIOS**			
	GROSS PROFIT RATIO	0.34	0.37	0.36
	Gross Income	106,902,168	96,612,189	69,908,664
	Revenues	311,878,121	259,324,818	192,743,770
	OPERATING INCOME TO REVENUES	0.34	0.37	0.36
	Income from Operations	106,955,906	96,635,492	69,926,882
	Revenues	311,878,121	259,324,818	192,743,770
	PRETAX INCOME TO REVENUES	(0.01)	(0.01)	(0.01)
	Pretax Loss	(1,962,940)	(1,532,688)	(1,054,036)
	Revenues	311,878,121	259,324,818	192,743,770
	NET INCOME TO REVENUE	(0.01)	(0.01)	(0.01)
	Net Loss	(4,107,596)	(2,982,307)	(1,754,325)
	Revenues	311,878,121	259,324,818	192,743,770
E.	**INTEREST COVERAGE RATIO**			
	INTEREST COVERAGE RATIO	(0.023)	0.295	0.653
	Earnings Before Interest and Tax	(43,899)	640,090	1,987,816
	Interest Expense	1,919,041	2,172,778	3,041,852

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE II - EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024

	2024	2023
Total Audit Fees *(Section 2.1 a)*	**270,000.00**	250,000.00
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees *(Section 2.1 b)*	-	-
TOTAL AUDIT AND NON-AUDIT FEES	**270,000.00**	250,000.00

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	2024	2023
Audit fees	**690,000.00**	690,000.00
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	**690,000.00**	690,000.00

Gmail **KDK LAW OFFICE <kdkcorpo.sec@gmail.com>**

SEC eFast Initial Acceptance

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noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph> Sun, Apr 13, 2025 at 9:43 PM

Greetings!

SEC Registration No: AS95003557
Company Name: MOUNT MALARAYAT GOLF AND COUNTRY CLUB INC.
Document Code: AFS

This serves as temporary receipt of your submission.
Subject to verification of form and quality of files of the submitted report.
Another email will be sent as proof of review and acceptance.

Thank you.

REMINDER: TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS EMAIL

ANNEX "B-1"

MOUNT MALARAYAT
Golf & Country Club

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC
(A Stock, Non-Profit Corporation)
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025
DECEMBER 31, 2024 AND SEPTEMBER 30, 2025

	October to December, 2025 Audited	October to December, 2024 Audited	July to September, 2025 Unaudited
REVENUES			
Food & Beverage	29,811,825	32,652,183	26,144,598
Hotel Operation	2,160,173	1,238,270	3,216,944
Sports Club	30,041,517	13,841,823	6,906,411
Others	-	9,409,061	19,382,647
	62,013,514	**57,141,336**	**55,650,600**
DIRECT COSTS			
Depreciation	7,157,069	6,825,663	6,838,312
Food & Beverage	30,405,257	18,546,300	28,264,484
Hotel Operation	10,472,583	10,571,767	3,993,589
Sports Club	12,292,436	29,605,898	19,329,600
	60,327,345	**65,549,627**	**58,425,984**
GROSS PROFIT	**1,686,170**	**(8,408,291)**	**(2,775,384)**
GENERAL & ADMINISTRATIVE EXPENSES	13,981,549	-	33,734,606
OPERATING LOSS	**(12,295,379)**	**(8,408,291)**	**(36,509,990)**
FINANCE COST	846,371	-	1,074,785
LOSS BEFORE PROVISION FOR (BENEFIT FROM) INCOME TAX	(13,141,750)	(8,408,291)	(37,584,775)
PROVISION FOR (BENEFIT FROM) INCOME TAX	1,740,648	2,144,656	-
NET LOSS FOR THE YEAR	**(14,882,398)**	**(10,552,947)**	**(37,584,775)**
MEMBERSHIP DUES	24,875,354	25,236,398	14,936,804
EXCESS (DEFICIT) OF MEMBERSHIP DUES AGAINST LOSS	**9,992,956**	**14,683,451**	**(22,647,971)**
NET LOSS PER GOLD SHARE	**4,996**	**7,342**	**(11,324)**
NET LOSS PER SILVER SHARE	**2,498**	**3,671**	**(5,662)**

Certified Correct: Lea V. Llanes
Finance Officer

MOUNT MALARAYAT
Golf & Country Club

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC
(A Stock, Non-Profit Corporation)
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

	2025 AUDITED	2024 AUDITED
REVENUES		
Membership Dues	77,585,066	78,510,216
Food & Beverage	104,132,880	93,941,121
Hotel Operation	11,203,697	12,955,533
Sports Club	93,747,458	87,431,616
Others	20,833,126	39,093,373
	307,502,227	**311,931,859**
DIRECT COSTS		
Depreciation	27,671,851	25,916,612
Food & Beverage	93,988,965	80,691,319
Hotel Operation	23,592,219	22,241,474
Sports Club	74,867,107	76,126,548
	220,120,143	**204,975,953**
GROSS PROFIT	**87,382,084**	**106,955,906**
GENERAL & ADMINISTRATIVE EXPENSES	103,360,696	106,999,805
OPERATING LOSS	**(15,978,612)**	**(43,899)**
FINANCE COST	3,590,676	1,919,041
LOSS BEFORE PROVISION FOR (BENEFIT FROM) INCOME TAX	**(19,569,288)**	**(1,962,940)**
PROVISION FOR (BENEFIT FROM) INCOME TAX	1,740,648	2,144,656
NET LOSS FOR THE YEAR	(21,309,936)	(4,107,596)
OTHER COMPREHENSIVE INCOME (LOSS)		
ITEMS THAT WILLNOT BE RECLASSIFIED		
SUBSEQUENT TO PROFIT AND LOSS:		
REMEASUREMENTS	(134,756)	(30,114)
TOTAL COMPREHENSIVE LOSS	**(21,444,692)**	**(4,137,710)**
NET LOSS PER GOLD SHARE	**(10,655)**	**(2,054)**
NET LOSS PER SILVER SHARE	**(5,327)**	**(1,027)**

Certified Correct: Lea V. Llanes

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: May 15, 2026 11:52:38 PM

Company Information

SEC Registration No.: AS95003557
Company Name: MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
Industry Classification: O92499
Company Type: Stock Corporation

Document Information

Document ID: OST105152026811388699
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2025
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	O	9	5	0	0	3	5	5	7		

Company Name

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

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

BARANGAY DAGATAN, LIPA CITY, BATANGAS

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	NA

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
kdkcorpo.sec@gmail.com	8756-7000	09175257080

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
780	September 19	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ROMEO V. GARCIA	argy.garcia@malarayat.com	(043)8756-7003	N/A

Contact Person's Address

BRGY. DAGATAN, LIPA CITY, BATANGAS

Note *: 1: In case of death, resgination 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.

MOUNT MALARAYAT
Golf & Country Club

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 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 Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

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

R.S. Bernaldo & Associates, the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

ANTONIO V. TURALBA, JR.	**TEODORO G. SALUD**
Chairman of the Board/President	Treasurer

Signed this ____ day of _______ 2026.

SUBSCRIBED AND SWORN to before me this MAY 06 2026 day of _________ 2026 affiants exhibiting to me their respective Tax Identification Number (TIN), as follows:

Name	TIN
ANTONIO V. TURALBA, JR.	**143-015-527-000**
TEODORO G. SALUD	**192-224-519-000**

Doc. No. 82;
Page No. 18;
Book No. 4;
Series of 2026

ATTY. MARIETA BAROJA IGARTA
NOTARY PUBLIC
NC No. 2025-0025 Until December 31, 2027
116 Tanco Drive, Marawoy, Lipa City, Batangas
PTR No. 6857132; 01/05/2026 Lipa City
IBP Life Member No. 04827; Roll of Attorney No. 25111
MCLE Compliance No. VIII-0017186

PKF
R.S. Bernaldo & Associates

R.S. Bernaldo & Associates
18/F Cityland Condominium 10
Tower 1, 156 H.V. dela Costa St.,
Ayala North, Makati City,
Philippines 1226

+632 8812-1718 to 22
info@pkfrsbernaldo.com
www.pkfrsbernaldo.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 audits 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 auditors' 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 auditors' 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations Nos. 15-2010, 19-2011, and 34-2020 in Note 30 to the financial statements, is presented for purposes of filing with Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013-AF
Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
BSP Group B Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Group A Accreditation No. IC-EA-2025-0061-R
Valid until 2027 audit period
PTR No. 10780861
Issued on January 20, 2026 at Makati City

May 6, 2026

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024
(In Philippine Peso)

	NOTES	**2025**	2024
A S S E T S			
Current Assets			
Cash	6	**20,824,026**	29,333,894
Trade and other receivables – net	7	**32,542,514**	24,464,527
Prepayment and other current assets	8	**9,944,357**	10,423,378
		63,310,897	64,221,799
Non-current Asset			
Property and equipment – net	9	**1,083,733,031**	1,105,816,550
TOTAL ASSETS		**1,147,043,928**	1,170,038,349
LIABILITIES AND STOCKHOLDERS' EQUITY			
L I A B I L I T I E S			
Current Liabilities			
Trade and other payables	10	**84,352,397**	82,064,706
Loans payable	11	**14,409,606**	18,454,141
		98,762,003	100,518,847
Non-current Liabilities			
Loans payable – net of current portion	11	**10,648,889**	10,648,889
Retirement benefit obligation	18	**510,737**	296,446
Deferred tax liability	20	**1,455**	8,632
		11,161,081	10,953,967
TOTAL LIABILITIES		**109,923,084**	111,472,814
S T O C K H O L D E R S' E Q U I T Y			
Capital Stock	13	**1,940,578,294**	1,940,578,294
Deficits		**(903,084,208)**	(881,774,273)
Remeasurements	18	**(373,242)**	(238,486)
TOTAL STOCKHOLDERS' EQUITY		**1,037,120,844**	1,058,565,535
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**1,147,043,928**	1,170,038,349

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

(A Stock, Non-Profit Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025, 2024 and 2023

(In Philippine Peso)

	NOTES	**2025**	2024	2023
REVENUE	14	**307,476,839**	311,878,121	259,324,818
DIRECT COSTS	15	**220,120,142**	204,975,953	162,712,629
GROSS PROFIT		**87,356,697**	106,902,168	96,612,189
OTHER INCOME	16	**25,388**	53,738	23,303
		87,382,085	106,955,906	96,635,492
OPERATING EXPENSES	17	**103,360,696**	106,999,805	95,995,402
FINANCE COST	11	**3,590,676**	1,919,041	2,172,778
LOSS BEFORE TAX		**(19,569,287)**	(1,962,940)	(1,532,688)
INCOME TAX EXPENSE	19	**1,740,648**	2,144,656	1,449,619
LOSS		**(21,309,935)**	(4,107,596)	(2,982,307)
OTHER COMPREHENSIVE LOSS				
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:				
Remeasurements	18	**(134,756)**	(30,114)	(1,050,848)
TOTAL COMPREHENSIVE LOSS		**(21,444,691)**	(4,137,710)	(4,033,155)
BASIC AND DILUTED LOSS PER SHARE	23	(5,327)	(1,027)	(746)

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2025, 2024 and 2023
(In Philippine Peso)

	Notes	**Capital Stock**	**Deficits**	**Remeasurements**	**Total**
Balance at January 1, 2023	13,18	1,940,578,294	(874,684,370)	842,476	**1,066,736,400**
Loss			(2,982,307)		**(2,982,307)**
Other comprehensive loss	18			(1,050,848)	**(1,050,848)**
Balance at December 31, 2023	13,18	**1,940,578,294**	**(877,666,677)**	**(208,372)**	**1,062,703,245**
Loss			(4,107,596)		**(4,107,596)**
Other comprehensive loss	18			(30,114)	**(30,114)**
Balance at December 31, 2024	13,18	**1,940,578,294**	**(881,774,273)**	**(238,486)**	**1,058,565,535**
Loss			(21,309,935)		**(21,309,935)**
Other comprehensive loss	18			(134,756)	**(134,756)**
Balance at December 31, 2025	13,18	**1,940,578,294**	**(903,084,208)**	**(373,242)**	**1,037,120,844**

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025, 2024 and 2023
(In Philippine Peso)

	NOTES	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(19,569,287)**	(1,962,940)	(1,532,688)
Adjustments for:				
Depreciation	9,15,17	**36,895,801**	34,555,483	30,879,988
Finance costs	11	**3,590,676**	1,919,041	2,172,778
Retirement benefits	18	**79,535**	60,257	425,313
Unrealized foreign exchange gain	6,16	**(5,820)**	(34,529)	(8,781)
Finance income	6,16	**(19,568)**	(19,209)	(14,522)
Operating changes in working capital		**20,971,337**	34,518,103	31,922,088
Increase in operating assets:				
Prepayment and other current assets		**(1,268,804)**	(238,240)	(5,796,223)
Trade and other receivables		**(8,077,987)**	(8,242,568)	(3,546,950)
Increase in trade and other payables		**2,287,691**	13,990,954	24,938,756
Cash generated from operations		**13,912,237**	40,028,249	47,517,671
Retirement benefits paid	18	**-**	-	(4,262,500)
Net cash from operating activities		**13,912,237**	40,028,249	43,255,171
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received	6,16	**19,568**	19,209	14,522
Additions to property and equipment	9	**(14,812,282)**	(32,835,331)	(34,849,371)
Net cash used in investing activities		**(14,792,714)**	(32,816,122)	(34,834,849)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans availment	11,12	**20,000,000**	29,200,000	5,000,000
Payments to related parties	12	**-**	-	(4,592,815)
Finance costs paid	11,12	**(3,590,676)**	(4,303,994)	(3,868,431)
Repayments of loans payable	11,12	**(24,044,535)**	(13,537,374)	(13,287,375)
Net cash from (used in) financing activities		**(7,635,211)**	11,358,632	(16,748,621)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	6,16	**5,820**	34,529	8,781
NET INCREASE (DECREASE) IN CASH		**(8,509,868)**	18,605,288	(8,319,518)
CASH AT BEGINNING OF YEAR		**29,333,894**	10,728,606	19,048,124
CASH AT END OF YEAR		**20,824,026**	29,333,894	10,728,606

(See Notes to Financial Statements)

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Stock, Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
As of December 31, 2025 and 2024 and for each of the
Three Years ended December 31, 2025

1. CORPORATE INFORMATION

Mount Malarayat Golf & Country Club, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on April 7, 1995, as a stock, non-profit corporation. The Company was organized primarily to promote social, recreational and athletic activities on a non-profit basis among its stockholders, the core of which will be the acquisition and maintenance of a golf field course and other similar facilities.

The Company is 78.95% owned by Active Realty and Development Corporation (ARDC), a domestic corporation, and 21.05% owned by Filipino individuals.

The Company's registered office and business operation address is located at Barangay Dagatan, Lipa City, Batangas.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Philippine Financial and Sustainability Reporting Standards Council (FSRSC) approved the issuance of new and revised Philippine Financial Reporting Standards (PFRS) Accounting Standards. The term "PFRS Accounting Standards" in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and Interpretations issued by the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the FSRSC and adopted by SEC.

These new and revised PFRS Accounting Standards prescribe new accounting recognition, measurement and disclosure requirements applicable to the Company. When applicable, the adoption of the new standards was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.01 New and Revised PFRS Accounting Standards Applied with No Material Effect on the Financial Statements

The following new and revised PFRS Accounting Standards have also been adopted in these financial statements. The application of these new and revised PFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments contains guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

  The amendments cover the following areas:

  - Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable if it can be exchanged for another currency through markets or mechanisms that establish enforceable rights and obligations without delay, while it is not exchangeable if an entity can only obtain a small amount of the other currency.
  - Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency isn't exchangeable at a measurement date, an entity estimates the spot exchange rate as the rate that would have applied in an orderly transaction.
  - Require the disclosure of additional information when a currency is not exchangeable - when a currency is not exchangeable, an entity discloses information to its financial statements, allowing users to assess its financial performance, position, and cash flows.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2025.

2.02 New and Revised PFRS Accounting Standards in Issue but Not Yet Effective

The Company will adopt the following standards and interpretations enumerated below when they become effective. Except as otherwise indicated, the Company does not expect the adoption of these new and amended PFRS Accounting Standards, to have significant impact on the financial statements.

2.02.01 Standard Adopted by FSRSC and Approved by the Board of Accountancy (BOA)

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*

  The amendments cover the following areas:

  - Derecognition of a financial liability settled through electronic transfer – the amendments allow entities to discharge a financial liability settled in cash using an electronic payment system if specific criteria are met, and apply the derecognition option to all settlements made through the same system.

- Classification of financial assets:
    - Contractual terms that are consistent with a basic lending arrangement – the amendments outline how entities can evaluate whether contractual cash flows of a financial asset align with a basic lending arrangement, illustrating this through examples of financial assets with or without principal and interest payments.
    - Assets with non-recourse features – the term 'non-recourse' is enhanced, defining a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
    - Contractually linked instruments – the amendments clarify that not all transactions with multiple debt instruments meet classification criteria, and that instruments in the underlying pool can include financial instruments not covered by classification requirements.
- There are amendments in the required disclosure for financial assets and liabilities with contractual terms that reference a contingent event and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

An entity is required to apply the amendments retrospectively. An entity is not required to restate prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The International Accounting Standards Board (IASB) has published proposed narrow-scope amendments to PFRS Accounting Standards and accompanying guidance as part of its periodic maintenance of the Accounting Standards.

The proposed amendments included in the Exposure Draft *Annual Improvements to PFRS Accounting Standards*—Volume 11 relate to:

- PFRS 1, *First-time Adoption of International Financial Reporting Standards, Hedge Accounting by a First-Time Adopter* – the amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, *Financial Instruments.*
- PFRS 7, *Financial Instruments: Disclosures*
    - Gain or Loss on Derecognition – the amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13, *Fair Value Measurement* was issued.

- Disclosure of Deferred Difference Between Fair Value and Transaction Price – the amendment addresses an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.

- Introduction and Credit Risk Disclosures – the amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

➢ PFRS 9, *Financial Instruments*

- Lessee derecognition of lease liabilities – the amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

- Transaction price – the amendment addresses a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, *Revenue from Contracts with Customers* while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.

➢ PFRS 10, *Consolidated Financial Statements, Determination of a 'de facto agent'* – the amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

➢ PAS 7, *Statement of Cash Flows, Cost Method* – the amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

- PFRS 17, *Insurance Contracts*

PFRS 17 sets out the requirements that an entity should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. It requires an entity that issues insurance contracts to report them on the balance sheet as the total of the fulfilment cash flows and the contractual service margin. It requires an entity to provide information that distinguishes two ways insurers earn profits from insurance contracts: the insurance service result and the financial result. It requires an entity to report as insurance revenue the amount charged for insurance coverage when it is earned, rather than when the entity receives premium. It requires that insurance revenue to exclude the deposits that represent the investment of the policyholder, rather than an amount charged for services.

Similarly, it requires the entity to present deposit repayments as settlements of liabilities rather than as insurance expense.'

PFRS 17 is effective for annual periods beginning on or after January 1, 2027. However, the effectivity date for all Health Maintenance Organizations (HMOs) is beginning on or after January 1, 2030, and all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030. Early application is permitted for entities that apply PFRS 9, *Financial Instruments* and PFRS 15, *Revenue from Contracts with Customers* on or before the date of initial application of PFRS 17.

An entity shall apply PFRS 17 retrospectively unless impracticable, except that an entity is not required to present the quantitative information required by paragraph 28(f) of PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and an entity shall not apply the option in paragraph B115 for periods before the date of initial application of PFRS 17. If, and only if, it is impracticable, an entity shall apply either the modified retrospective approach or the fair value approach.

- Amendments to PFRS 17, *Insurance Contracts*

  The amendments cover the following areas:

  - Insurance acquisition cash flows for renewals outside the contract boundary;
  - Reinsurance contracts held—onerous underlying insurance contracts;
  - Reinsurance contracts held—underlying insurance contracts with direct participation features; and
  - Recognition of the contractual service margin in profit or loss in the general model.

  The amendments are effective to annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- Amendment to PFRS 17, *Initial Application of PFRS 17 and PFRS 9—Comparative Information*

  The amendment is a transition option relating to comparative information about financial assets presented on initial application of PFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and Insurance contract liabilities, and therefore Improve the usefulness of comparative information for users of financial statements.

  PFRS 17 incorporating the amendment is effective for annual reporting periods beginning on or after January 1, 2027. However, all Mutual Benefits Associations (MBAs) doing business in the Philippines is effective beginning on or after January 1, 2030.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

  PFRS 18 supersedes PAS 1, *Presentation and Disclosure in Financial Statements*. This new standard is a result of IASB's Primary Financial Statements project, which aimed at improving comparability and transparency of communication in financial statements.

While several sections from PAS 1 have been retained with minimal changes in wording, PFRS 18 introduces new requirements for the presentation and disclosures in financial statements.

The new requirements include:

- Improved comparability in the statement of profit or loss (income statement);
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

Retrospective application is required in both annual and interim financial statements. PFRS 18 is effective beginning on or after January 1, 2027, with early application permitted.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures*

  PFRS 19 allows eligible entities to provide reduced disclosures compared to the requirements in other PFRS Accounting Standards. Entities that elect PFRS 19 are still required to apply the recognition, measurement and presentation requirements of other PFRS Accounting Standards.

  An entity may elect to apply the PFRS 19 if at the end of reporting period:

  - It is a subsidiary as defined in PFRS 10, *Consolidated Financial Statements*;
  - It does not have public accountability; and
  - It has a parent (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with PFRS Accounting Standards.

  An eligible entity (including an intermediate parent) can apply PFRS 19 in its consolidated, separate or individual financial statements. PFRS 19 is applicable for both annual and interim reporting.

  PFRS 19 is effective beginning on or after January 1, 2027, with early application permitted.

2.02.02 Deferred

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

  The amendments clarify the treatment of the sale or contribution of assets between an investor and its associate and joint venture. This requires an investor in its financial statements to recognize in full the gains and losses arising from the sale or contribution of assets that constitute a business while recognize partial gains and losses if the assets do not constitute a business (i.e. up to the extent only of unrelated investor share).

  On January 13, 2016, the FSRSC decided to postpone the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.01 Statement of Compliance

The financial statements have been prepared in conformity with PFRS Accounting Standards, and are under the historical cost convention, except for certain financial instruments that are carried at amortized cost.

3.02 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using Philippine Peso (₱), the currency of the primary economic environment in which the Company operates (the "functional currency").

The Company chose to present its financial statements using its functional currency.

3.03 Current and Non-Current Presentation

The Company classifies an asset as current when:

- It expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realize the asset within twelve (12) months after the reporting period; or
- The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

The Company classifies all other assets as non-current.

The Company classifies a liability as current when:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve (12) months after the reporting period; or
- It does not have an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

4. MATERIAL ACCOUNTING POLICIES

Principal accounting and financial reporting policies applied by the Company in the preparation of its financial statements are enumerated below and are consistently applied to all the years presented, unless otherwise stated.

4.01 Financial Assets

4.01.01 Initial Recognition and Measurement

The Company recognizes a financial asset in its statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Company measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

4.01.02 Classification

➢ Financial Asset at Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortized costs include cash in banks and trade and other receivables (except advances to officers and employees).

a) Cash in Banks

Cash in banks pertain to cash deposits held at call with banks that are subject to insignificant risk of change in value. This shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

b) Trade and Other Receivables

Trade and other receivables are measured at amortized cost using the effective interest method, less any impairment. Finance income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company has neither financial assets measured at fair value through other comprehensive income nor through profit or loss in both years.

4.01.03 Effective Interest Method

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets and financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired.

4.01.04 Impairment

The Company measures expected losses of a financial instrument in a way that reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable assumption that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

The Company adopted the following approaches in accounting for impairment.

- General Approach

  The Company applies general approach to cash in banks and other receivables. At each reporting date, the Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. However, if the credit risk has not increased significantly, the Company measures the loss allowance equal to 12-month expected credit losses.

  The Company compares the risk of default occurring as at the reporting date with the risk of default occurring as at the date of initial recognition and consider the macro-economic factors such as GDP rate, interest rate, and inflation rate; the status of counterparties' industry; and the available financial information of each counterparty to determine whether there is a significant increase in credit risk or not since initial recognition.

  The Company determines that there has been a significant increase in credit risk when there is a significant decline in the factors.

  The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition because the financial instrument is determined to have low credit risk at the reporting date.

  The Company did not apply the 30 days past due rebuttable presumption because based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

  If the Company has measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date, that the credit quality improves (i.e. there is no longer a significant increase in credit risk since initial recognition), then the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

  The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The Company performs the assessment of significant increases in credit risk on an individual basis.

The Company applies the 90 days past due rebuttable presumption in determining whether a financial asset is credit-impaired or not since for those members who are delinquent for more than 90 days and with more than ₱100,000, the Management will assess if the said shares of the members will be subjected for write-off.

The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

➢ Simplified Approach

The Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables. The Company determines that a financial asset is credit-impaired when one (1) or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Members or playing rights holders on the delinquent list for more than 90 days shall be reported to the Board and their shares or the shares of the judicial entities they represent shall thereafter be ordered sold by the Board at auction.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counterparty;
- A breach of contract, such as a default or past due event;
- The lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; and
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization.

4.01.05 Derecognition

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flow from the financial asset expire or it transfers the financial asset, and the transfer qualifies for derecognition. The difference between the carrying amount and the consideration received is recognized in profit or loss.

4.02 Prepayments

Prepayment represents expenses not yet incurred but already paid in cash. This is initially recorded as asset and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepayment is classified in the statements of financial position as current assets when the expenses related to prepayment are expected to be incurred within one (1) year or the Company's normal operating cycle whichever is longer. Otherwise, prepayment are classified as non-current asset.

4.03 Property and Equipment

Property and equipment are initially measured at cost. The cost of an asset consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Golf and country clubhouse	50 years
Golf course and land improvements	50 years
Furniture, fixtures and equipment	5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising |from derecognition of a property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss.

4.04 Impairment of Assets

At each reporting date, the Company assesses whether there is any indication that any assets other than financial assets that are within the scope of PFRS 9, *Financial Instruments,* may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as an income.

4.05 Financial Liabilities

4.05.01 Initial Recognition and Measurement

The Company recognizes financial liability in its statements of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument.

At initial recognition, the Company measures financial liability at its fair value minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the liability.

4.05.02 Classification

The Company classifies all financial liabilities as subsequently measured at amortized, except for:

- financial liabilities at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

The Company's financial liabilities consists of trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies), due to related parties and loans payable.

The Company does not have financial liability measured at fair value through profit or loss in both years.

4.05.03 Derecognition

The Company removes a financial liability (or part of a financial liability) from its statements of financial position when, and only when, it is extinguished (i.e. when the obligation in the contract is discharged or cancelled or has expired).

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.06 Unearned Revenue

Unearned revenue arises from payments received for the services not yet rendered by the Company. These are initially measured at the amount of cash received. Subsequently, the Company will record revenue upon performance of the service.

4.07 Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.08 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity.

4.09 Employee Benefits

4.09.01 Short-term Employee Benefits

The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term employee benefits given by the Company to its employees include salaries and wages and other employee benefits which include SSS, PHIC and HDMF premium contributions, food subsidy and employee discounts.

4.09.02 Post-employment Benefits

The Company has unfunded and noncontributory defined benefit retirement plan. This benefit defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one (1) or more factors such as age, years of service and compensation.

The cost of providing benefits is determined using the Projected Unit Credit Method (PUCM) which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Post-employment expenses include current service cost, past service cost, and net interest on defined benefit liability. Remeasurements which include cumulative actuarial gains and losses, are recognized directly in other comprehensive income and is also presented under equity in the statements of financial position.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

The retirement benefit obligation recognized in the statements of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by an actuary using the PUCM. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement benefit obligation.

4.10 Revenue Recognition

The Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

4.10.01 Performance Obligations Satisfied Over Time

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, when the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

Revenue is derived from membership dues, sports club, restaurant operations, hotel operations, playing rights and transfer fees.

4.11 Expense Recognition

Expense encompasses losses as well as those expenses that arise in the course of the ordinary activities of the Company.

The Company recognizes expenses in the statements of comprehensive income when a decrease in future economic benefits related to a decrease in an asset or an increase in liability has arisen that can be measured reliably.

4.12 Related Parties and Related Party Transactions

A related party is a person or entity that is related to the Company that is preparing its financial statements. A person or a close member of that person's family is related to Company if that person has control or joint control over the Company, has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions apply:

- The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- The entity is controlled or jointly controlled by the person identified above.
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- Management entity providing key management personnel services to a reporting entity.

Close members of the family of a person are those family members, who may be expected to influence, or be influenced by, that person in their dealings with the Company and include that person's children and spouse or domestic partner; children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

4.13 Taxation

Income tax expense represents the sum of current and deferred taxes.

4.13.01 Current Tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

4.13.02 Deferred Tax

Deferred tax is recognized as temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused tax credits from excess Minimum Corporate Income Tax (MCIT) over Regular Corporate Income Tax (RCIT) and unused Net Operating Loss Carry-over (NOLCO), to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry forward of unused excess MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences. Deferred tax assets arising from deductible temporary differences are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4.13.03 Current and Deferred Taxes for the Period

Current and deferred taxes are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside profit or loss, whether in other comprehensive income or directly in equity, in which case the tax is also recognized outside profit or loss.

4.14 Basic Earnings (Loss) per Share

The Company computes its basic earnings (loss) per share by dividing net income or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.15 Changes in Accounting Policies

The adoption of the new and revised standards and interpretations disclosed in Note 2.01 was made in accordance with their transitional provisions, otherwise the adoption is accounted for as change in accounting policy under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors.*

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Company's accounting policies, which are described in Note 4, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.01 Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

5.01.01 Assessment of Timing of Satisfaction of Performance Obligations

An entity satisfies a performance obligation upon giving the right to the members to access and use the club's amenities, which could occur over time.

Revenue is derived from membership dues, sports club, restaurant operations, hotel operations, playing rights and transfer fees. The Company recognizes revenue over time, this is when the clients simultaneously receive and consume the benefits provided by the Company's performance as the Company performs.

In 2025, 2024 and 2023, revenue earned from operations amounted to ₱307,476,839, ₱311,878,121 and ₱259,324,818, respectively, as disclosed in Note 14.

5.01.02 Assessment of the Transaction Price and the Amounts Allocated to Performance Obligations

A performance obligation is a vendor's promise to transfer a good or service that is 'distinct' from other goods and services identified in the contract.

Management assessed that allocation of transaction price is not applicable since membership dues and service charge for golf, hotel, and food and beverages operations have one performance obligation each.

5.01.03 Assessment of Contractual Terms of a Financial Asset

The Company determines whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In making its judgments, the Company considers whether the cash flows before and after the changes in timing or in the amount of payments represent only payments of principal and interest on the principal amount

Management assessed that the contractual terms of its financial assets are solely payments of principal and interest that are consistent with basic lending arrangement. The carrying amounts of financial assets measured at amortized costs amounted to ₱51,490,361 and ₱52,652,030 as of December 31, 2025 and 2024, respectively, as disclosed in Note 25.02.

5.01.04 Assessment of 30 days Rebuttable Presumption

An entity determines when a significant increase in credit risk occurs on its financial assets based on the credit management practice of the entity.

Management believes that the 30 days rebuttable presumption is not applicable since based on Company's historical experience credit risk has not increased significantly even if collections are more than 30 days past due.

5.01.05 Assessment of 90 days Rebuttable Presumption

The Company determines when a default occurs on its financial assets based on the credit management practice of the Company.

Management believes that the 90 days rebuttable presumption on determining whether financial assets are credit impaired is applicable since for those members who are delinquent for more than 90 days and with more than ₱100,000, Management will assess if the said shares of the members will be subjected for write-off.

5.02 Key Sources of Estimation Uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5.02.01 Reviewing Residual Values, Useful Lives and Depreciation Method of Property and Equipment

The residual values, useful lives and depreciation method of the Company's property and equipment are reviewed at least annually, and adjusted prospectively if appropriate, if there is an indication of: a significant change in how an asset is used; significant unexpected wear and tear; technological advancement; and changes in market prices since the most recent annual reporting date.

The useful lives of the Company's assets are estimated based on the period over which the assets are expected to be available for use. In determining the useful life of an asset, the Company considers the expected usage, expected physical wear and tear, technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above.

The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment would increase the recognized operating expenses and decrease non-current assets.

The Company uses a depreciation method that reflects the pattern in which it expects to consume the asset's future economic benefits. If there is an indication that there has been a significant change in the pattern used by which the Company expects to consume an asset's future economic benefits, the Company shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern.

In both years, Management assessed that there were no changes from the previous estimates since the most recent annual reporting period. As of December 31, 2025 and 2024, the carrying values of depreciable property and equipment are ₱644,409,715 and ₱666,493,234, respectively, as disclosed in Note 9.

5.02.02 Asset Impairment

The Company performs an impairment review when certain impairment indicators are present. Determining the fair value of advances to officers and employees presented under 'trade and other receivables', prepayment and other current asset and property and equipment, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Company believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS Accounting Standards.

In both years, Management believes that there were no impairment indicators present in its advances to officers and employees presented under ‘trade and other receivable’, prepayments and other current asset and its property and equipment. As of December 31, 2025 and 2024, the aggregate carrying amounts of the aforementioned assets amounted to ₱1,095,408,566 and ₱1,117,291,319, respectively, as disclosed in Notes 7, 8 and 9.

5.02.03 Non-recognition of Deferred Tax Assets

The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized prior to expiration.

In both years, the Management believes that the Company will not be able generate future taxable profits to allow all or part of its deferred tax assets to be utilized prior to expiration, hence the Company did not recognize deferred tax assets. Amounts of deferred tax assets not recognized as of December 31, 2025 and 2024 are ₱16,899,868 and ₱16,003,292, respectively, as disclosed in Note 20.

5.02.04 Estimating Allowance for Expected Credit Losses of Financial Assets

The Company evaluates the expected credit losses related to its financial assets based on an individual assessment and available facts and circumstances, including, but not limited to historical loss experience, available financial information, and current and forecast macro-economic information

The Company uses credit ratings, the performance of banking industry, macro-economic and banks’ financial information to assess the expected credit losses on its cash in banks. In view of the foregoing factors, Management believes that the estimated expected credit loss on cash in banks is nil in both years.

Management estimates the proportion of the financial assets that have experienced a significant increase in credit risk using general information and calculate expected credit losses on that basis. A number of qualitative and quantitative factors may be considered to adjust the allowance for credit losses to reflect a more considerable value. This includes behavior of the collection of receivables and financial status of the members that considers the past events and current members’ capacity, respectively. To measure the expected credit losses, the Company uses three (3) components for calculations, the probability of default, the loss given default, and the exposure at default as disclosed in Note 25.02.

The Management believes that there was no significant change in credit quality and the amounts are still considered recoverable. Hence, no additional allowance for expected credit loss was recognized in 2025 and 2024. As of December 31, 2025 and 2024, allowance for expected credit losses amounted to ₱16,011,236 as disclosed in Notes 7 and 25.02.

As of December 31, 2025 and 2024, the carrying amounts of financial assets measured at amortized costs amounted to ₱51,490,361 and ₱52,652,030 respectively, as disclosed in Note 25.02.

5.02.05 Post-employment Benefits

The determination of the retirement obligation and cost and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, mortality of plan members and rates of compensation increase. In accordance with PFRS Accounting Standards, actual results that differ from the assumptions and the effects of changes in actuarial assumptions are recognized directly as remeasurements in other comprehensive income. While the Club believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension and other retirement obligations.

Retirement benefits amounted to ₱79,535, ₱60,257, and ₱425,313, in 2025, 2024 and 2023, respectively, as disclosed in Note 18. As of December 31, 2025 and 2024, retirement benefit obligation amounted to ₱510,737 and ₱296,446, respectively, as disclosed in Note 18. Remeasurement loss amounting to ₱134,756, ₱30,114, and ₱1,050,848 were recognized in other comprehensive income for the years ended December 31, 2025, 2024 and 2023, respectively, as disclosed in Note 18.

6. CASH

For the purpose of the statements of cash flows, cash includes cash on hand and cash in banks.

Cash at the end of each reporting period as shown in the statements of cash flows can be reconciled to the related item in the statements of financial position as follows:

		2025		2024
Cash on hand	₱	**145,000**	₱	105,000
Cash in banks		**20,679,026**		29,228,894
	₱	**20,824,026**	₱	29,333,894

Cash in banks earn interest at floating rate based on daily bank deposit. Finance income earned from bank deposit amounted to P19,568, ₱19,209 and ₱14,522 in 2025, 2024 and 2023, respectively, as disclosed in Note 16. In 2025, 2024, and 2023, unrealized foreign exchange gain amounted to ₱5,820, ₱34,529, and ₱8,781, respectively, as disclosed in Note 16.

7. TRADE AND OTHER RECEIVABLES – net

The Company's trade and other receivables consist of:

		2025		2024
Trade	₱	**42,271,946**	₱	38,522,774
Allowance for expected credit losses (Note 25)		**(16,011,236)**		(16,011,236)
		26,260,710		22,511,488
Advances to officers and employees		**1,731,178**		1,041,391
Others		**4,550,626**		911,648
	₱	**32,542,514**	₱	24,464,527

Trade pertains to receivables from members for their privilege to use the amenities of the Golf Club and receivable from security, credit cards and others. Receivable from credit cards are payments through credit card by customers to be credited directly to the Company's bank account. The average credit period is 90 days.

Management believes that there was no significant change in credit quality and the amounts are still considered recoverable. Hence, no additional allowance for expected credit loss was recognized in 2025 and 2024.

Others pertain to the receivable from hotel, food and beverages operations of the Company with Mount Malarayat Residential and Home Owners Association, Inc. (MMRHAI) and clients.

Aging of accounts that are past due but not impaired is as follows:

		2025		2024
1 – 30 days	**₱**	**10,247,962**	₱	11,349,574
31 – 90 days		**1,028,001**		2,106,821
Over 90 days		**24,162,315**		9,966,741
	₱	**35,438,287**	₱	23,423,136

In determining the recoverability of trade and other receivables, the Company considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

8. PREPAYMENT AND OTHER CURRENT ASSET

The details of the Company's prepayment and other current asset are shown below:

		2025		2024
Prepaid tax	**₱**	**9,914,383**	₱	10,331,456
Excess tax credits		**29,974**		91,922
	₱	**9,944,357**	₱	10,423,378

Prepaid tax pertains to advance payment for real property tax.

Excess tax credits represents taxes paid in advance that will be applied against company's future tax liabilities.

9. PROPERTY AND EQUIPMENT – net

The carrying amounts of the Company's property and equipment as of December 31, 2025 and 2024 are as follows:

	Land	Golf and Country Clubhouse	Golf Course and Land Improvements	Furniture, Fixtures and Equipment	Total
January 1, 2024					
Cost	₱ 439,323,316	₱ 699,827,501	₱ 895,569,907	₱ 101,872,439	₱ **2,136,593,163**
Accumulated depreciation	-	(337,149,283)	(603,425,199)	(88,481,979)	**(1,029,056,461)**
Carrying amount	**439,323,316**	**362,678,218**	**292,144,708**	**13,390,460**	**1,107,536,702**
Movements during 2024					
Balance, January 1	439,323,316	362,678,218	292,144,708	13,390,460	**1,107,536,702**
Additions	-	14,184,493	10,407,920	8,242,918	**32,835,331**
Depreciation	-	(14,279,299)	(14,905,854)	(5,370,330)	**(34,555,483)**
Balance at December 31, 2024	**439,323,316**	**362,583,412**	**287,646,774**	**16,263,048**	**1,105,816,550**
December 31, 2024					
Cost	439,323,316	714,011,994	905,977,827	110,115,357	**2,169,428,494**
Accumulated depreciation	-	(351,428,582)	(618,331,053)	(93,852,309)	**(1,063,611,944)**
Carrying amount	**439,323,316**	**362,583,412**	**287,646,774**	**16,263,048**	**1,105,816,550**
Movements during 2025					
Balance, January 1	439,323,316	362,583,412	287,646,774	16,263,048	**1,105,816,550**
Additions	-	6,915,089	2,525,284	5,371,909	**14,812,282**
Depreciation	-	(14,399,504)	(15,690,368)	(6,805,929)	**(36,895,801)**
Balance at December 31, 2025	**439,323,316**	**355,098,997**	**274,481,690**	**14,829,028**	**1,083,733,031**
December 31, 2025					
Cost	439,323,316	720,927,083	908,503,111	115,487,266	**2,184,240,776**
Accumulated depreciation	-	(365,828,086)	(634,021,421)	(100,658,238)	**(1,100,507,745)**
Carrying amount	₱ **439,323,316**	₱ **355,098,997**	₱ **274,481,690**	₱ **14,829,028**	₱ **1,083,733,031**

All additions in 2025, 2024 and 2023 amounting to ₱14,812,282, ₱32,835,331 and ₱34,849,371 were paid in cash.

Depreciation is allocated as follows:

		2025		2024		2023
Direct costs (Note 15)	₱	**27,671,851**	₱	25,916,612	₱	23,159,991
Operating expenses (Note 17)		**9,223,950**		8,638,871		7,719,997
	₱	**36,895,801**	₱	34,555,483	₱	30,879,988

In both years, Management believes that there is no indication of impairment that has occurred to its property and equipment.

10. TRADE AND OTHER PAYABLES

This account consists of the following:

		2025		2024
Trade	₱	**64,552,894**	₱	68,856,615
Unearned revenue		**9,660,289**		6,921,347
Trust fund for sports and games ties		**2,726,911**		828,825
Accrued expenses		**2,714,979**		546,203
Payable to regulatory agencies		**1,781,898**		2,311,295
Event deposits		**1,749,536**		1,332,066
Christmas pledge payable		**1,134,959**		1,061,219
Others		**30,931**		207,136
	₱	**84,352,397**	₱	82,064,706

Trade account consists mainly of payable to suppliers of goods and services for the operating requirements of the Company.

The average credit period on purchases of certain goods from suppliers is 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Unearned revenue pertains to the advance payment of foreign tourists for green fees.

Trust funds for sports and games ties include advances made by the members that will be used for tournaments for the year.

Event deposits pertain to advance deposits that cover functions and events that are waiting for liquidation.

11. LOANS PAYABLE

The details of the Company's loans payable are shown below:

		2025		2024
Current	₱	**14,409,606**	₱	18,454,141
Non-current		**10,648,889**		10,648,889
	₱	**25,058,495**	₱	29,103,030

Movements of the loans are as follows:

		2025		2024
Balance, January 1	₱	**29,103,030**	₱	13,440,404
Availments		**20,000,000**		29,200,000
Repayments		**(24,044,535)**		(13,537,374)
Balance, December 31	₱	**25,058,495**	₱	29,103,030

In 2025, 2024 and 2023, the Company availed several interest-bearing loans amounting to ₱20,000,000, ₱29,200,000 and ₱5,000,000, respectively, from Company's key management personnel, as disclosed in Note 12, for future developments such as renovation of club facilities, clubhouses and golf courses, all of which are unsecured and unguaranteed. The average payment period of a loan is from one (1) to five (5) years at an average imputed interest rate of 10% per annum.

In 2025, 2024 and 2023, the Company incurred finance cost amounting to ₱3,590,676, ₱1,919,041 and ₱2,172,778, respectively.

Finance costs paid on loans amounted to ₱3,590,676, ₱4,303,994 and ₱3,868,431 in 2025, 2024 and 2023, respectively, as disclosed in Note 12.

In 2025, 2024 and 2022, repayments of loans amounted to ₱24,044,535, ₱13,537,374 and ₱13,287,375, respectively, as disclosed in Note 12.

No ratios and threshold are required to be maintained related to the loans.

As of December 31, 2025 and 2024, the Company has complied with all the requirements and has no default payments.

12. RELATED PARTY TRANSACTIONS

Nature of relationship of the Company and its related parties are disclosed below:

Related Parties	Nature of Relationship
AVT Properties Inc. (AVTPI)	Under Common Control
Active Realty and Development Corporation (ARDC)	Under Common Control
ATF Property Management Inc. (APMI)	Under Common Control
Stockholders	Key Management Personnel

Balances and transactions between the Company and its related parties are disclosed below:

12.01 Due to Related Parties

12.01.01 Under Common Control

Transactions with related parties under common control are as follows:

	December 31, 2025		December 31, 2024	
	Amounts/ Volume	**Outstanding Balance**	Amounts/ Volume	Outstanding Balance
ARDC				
Playing Rights	**14,691,626**	**-**	-	-
APMI				
Concessionary fee	**26,397,321**	**-**	23,571,429	**-**
Direct costs	**41,093,627**	**-**	35,600,222	**-**
	₱ 67,490,948	**₱ -**	₱ 59,171,651	₱ -

In 2025, 2024 and 2023, payment of advances from related parties amounted to nil, nil and ₱4,592,815, respectively.

In 2024, advances to ARDC amounting to ₱6,158,192 were settled through offsetting against the payment for auctioned shares, as disclosed in Note 27.

In 2025, ARDC, a related party, holds playing rights under sports club amounted to ₱14,691,626. The Company incurs charges from ARDC related to the use of these rights, which are recognized as direct costs as disclosed in Note 15.

The concessionary fee from APMI refers to the fee for operating and maintaining the hotel, country club and facilities of the Company.

Aside from share in gross revenue, the Company also pays APMI the direct cost fee which refers to the cost of services such as arranging events, tournaments or other services aside from operating and maintaining the hotels and country club. These costs are billed by APMI to the Company monthly, as disclosed in Note 15.

In 2025, 2024 and 2023, APMI billed the Company on the costs related to the sports club amounting to ₱38,022,106, ₱33,145,733 and ₱31,723,967, respectively, as disclosed in Note 15.

In 2025, 2024 and 2023, APMI billed the Company on the costs related to the hotel operations amounting to ₱22,593,842, ₱22,241,474 and ₱16,286,668, respectively, as disclosed in Note 15.

In 2025, 2024 and 2023, APMI billed the Company on the costs related to the food and beverages amounting to ₱4,779,636, ₱3,784,444 and ₱2,532,065, respectively, as disclosed in Note 15.

12.01.02 Key Management Personnel

Transactions with related parties under key management personnel are as follows:

	December 31, 2025		December 31, 2024	
	Amount/ Volume	**Outstanding Balance**	Amount/ Volume	Outstanding Balance
Loans (Note 11)	**₱ 20,000,000**	**₱ 25,058,495**	₱ 29,200,000	₱ 29,103,030

The loans are used to finance the Company's improvement of club facilities, clubhouses and golf courses. These are loans from its directors and officers which are unsecured, with an average imputed interest rate of 10% per annum and will be settled in cash, which is payable in one (1) to five (5) years.

In 2025, 2024 and 2023, the Company availed loans amounting to ₱20,000,000, ₱29,200,000 and ₱5,000,000, respectively, as disclosed in Note 11.

In 2025, 2024 and 2023, repayments of loans amounted to ₱24,044,535, ₱13,537,374 and ₱13,287,375, respectively, as disclosed in Note 11.

Finance cost incurred by the Company in 2025, 2024 and 2023 amounted to ₱3,590,676, ₱1,919,041 and ₱2,172,778, respectively.

Finance costs paid on loans amounted to ₱3,590,676, ₱4,303,994 and ₱3,868,431 in 2025, 2024 and 2023, respectively.

12.02 Remuneration of Key Management Personnel

The remuneration of the directors and other members of key management personnel of the Company are set out below in aggregate for each of the categories specified in PAS 24, *Related Party Disclosures*:

	2025	2024
Short-term employee benefits	**₱ 3,008,537**	₱ 3,451,883
Retirement benefits	**79,535**	79,652
	₱ 3,088,072	₱ 3,531,535

13. CAPITAL STOCK

13.01 Ordinary Shares

The details of the Company's ordinary shares are shown below:

		2025		2024
Authorized, Issued and fully paid – 4,000 shares	**₱**	**1,940,578,294**	₱	1,940,578,294

The Company's authorized capital stock consists of 4,000 no par value shares, divided into 2,000 Gold shares (inclusive of 11 Founders' shares) and 2,000 Silver shares.

These are divided into the following:

	2025			2024		
	Gold	**Silver**	**Total**	Gold	Silver	Total
Class A	**1,109**	**900**	**2,009**	1,109	900	2,009
Founders' shares	**11**	**-**	**11**	11	-	11
Class B	**200**	**200**	**400**	200	200	400
Class C	**680**	**900**	**1,580**	680	900	1,580
	2,000	**2,000**	**4,000**	2,000	2,000	4,000

The stated value of the Founders' shares, Gold shares and Silver shares is ₱20,000, ₱2,000, and ₱1,000, respectively.

The Gold shares are divided into 1,120 Class A shares inclusive of the 11 Founders' shares, which may be sold to Filipino citizens (individuals) only; 200 Class B shares, which may be sold to Filipinos and Aliens (individuals); 680 Class C shares, 80 shares of which may be sold to Filipino corporations only and the remaining 600 shares may be sold to either domestic or foreign corporations.

The Silver shares are divided into 900 Class A shares, which may be sold to Filipino Citizens (individuals) only; 200 Class B shares, which may be sold to both Filipinos and Aliens (individuals); and 900 Class C shares, 600 shares of which may be sold to Filipino corporations only and the remaining 300 shares of which may be sold to either domestic or foreign corporations.

The Founders' shares were issued to ARDC and/or its nominees upon incorporation of the Company. As of December 31, 1997, the Company issued 1,360 Gold shares and 250 Silver shares in exchange for the land turned over and the advances made by ARDC for the development costs of the Company.

In 2012, the Company issued 900 silver shares as payment of the development cost and advances made by ARDC which amounted to ₱239,769,505. The Company did not file notice of exemption and/or secure approval on the conversion of these advances into equity pursuant to SRC Rule 10.1. Management believes that the Certificate of Permit to sell shares issued by the SEC on September 19, 1995 covers the entire subscription of the authorized capital stock.

No profits shall inure to the exclusive benefit of any of the Company's stockholders and no dividends shall be declared in their favor. Stockholders shall be entitled only to pro-rata share of the Company's assets upon dissolution or liquidation.

The stockholders are required to pay the monthly dues to meet the expenses for the general and operations of the Company and the maintenance and improvement of its premises and facilities apart from the prescribed fee for the actual use of the facilities. Owners of Gold shares shall be entitled to use all facilities of the Company, while owners of Silver shares can avail of the country club and all other sports facilities but not the golf course, golf facilities nor the golf clubhouse.

A holder of a share of stock of the Company is not an *ipso facto* member of the Company, and in the event that an application for membership of a stockholder is disapproved by the Board of Directors, his/her shares shall be disposed subject to the Company's right of first refusal.

13.02 History of Registration of Securities

On September 19, 1999, SEC issued a Certificate of Permit to Sell Shares of originally registered securities: 4,000 total shares of common stock divided into 2,000 Gold Shares and 2,000 Silver Shares.

14. REVENUE

An analysis of the Company's revenue for the years ended 2025, 2024 and 2023 are as follows:

		2025		2024		2023
Food and beverages	₱	**104,132,880**	₱	93,941,121	₱	74,559,323
Sports club		**93,747,458**		87,431,616		77,179,361
Membership dues		**77,585,066**		78,510,216		70,550,900
Hotel operations		**11,203,697**		12,955,533		9,619,950
Others		**20,807,738**		39,039,635		27,415,284
	₱	**307,476,839**	₱	311,878,121	₱	259,324,818

Food and beverages pertain to the revenue from the restaurant operations and banquets in the function rooms, by Culinary Adventures Inc., as disclosed in Note 22.

Sports club pertains to revenue recognized from members and non-members playing golf. In 2025, 2024 and 2023, revenue recognized from the agreement with Dynamic Sports Corporation amounted to ₱820,876, ₱665,256, and ₱504,290, respectively, as disclosed in Note 22. It also includes the proceeds and benefits derived from the use of playing rights of ARDC amounting to ₱15,071,036, ₱12,951,152 and ₱5,173,875 in 2025, 2024 and 2023, respectively, as disclosed in Note 21.

Membership dues pertain to the revenue recognized from the dues paid by the members of the club.

Hotel operations pertain to the revenue recognized from occupancy and operation of function rooms and events in the hotel and country club facilities.

Others pertain to revenue from golf cart parking, processing fee, transfer fee, laundry fee, locker rental fee, and other income arising from water station and club merchandise.

15. DIRECT COSTS

The following is an analysis of the Company's direct costs:

		2025		2024		2023
Food and beverages	₱	**93,988,965**	₱	80,691,319	₱	69,988,064
Sports club		**74,867,107**		76,126,548		53,277,906
Depreciation (Note 9)		**27,671,851**		25,916,612		23,159,991
Hotel operations		**23,592,219**		22,241,474		16,286,668
	₱	**220,120,142**	₱	204,975,953	₱	162,712,629

Food and beverages pertain to the costs incurred by Culinary Adventures Inc., as disclosed in Note 22. Food and beverages also include the direct costs billed by the APMI pertaining to function room rental on banquet events amounting to ₱4,779,636, ₱3,784,444 and ₱2,532,065, in 2025, 2024 and 2023, respectively, as disclosed in Note 12.

Sports club includes the direct costs recognized from agreement with MGMI amounting to ₱29,970,000, ₱28,928,571 and ₱27,946,429 in 2025, 2024 and 2023, respectively, as disclosed in Note 22. Sports club also includes the direct costs recognized from agreement with APMI amounting to ₱38,022,106, ₱33,145,733 and ₱31,723,967 in 2025, 2024 and 2023, respectively, as disclosed in Note 12.

Hotel operations include payment of direct cost fee to APMI for various services such as arranging events, tournaments or other services aside from operating and maintaining the hotels and country club. These costs are billed by APMI to the Company on a monthly basis. In 2025, 2024 and 2023, the total costs billed to APMI amounted to ₱22,593,842, ₱22,241,474 and ₱16,286,668, as disclosed in Note 12.

16. OTHER INCOME

Components of other income as disclosed in Note 6 are as follows:

		2025		2024		2023
Finance income (Note 6)	₱	**19,568**	₱	19,209	₱	14,522
Unrealized foreign exchange gain (Note 6)		**5,820**		34,529		8,781
	₱	**25,388**	₱	53,738	₱	23,303

17. OPERATING EXPENSES

The following is an analysis of the Company's operating expenses

		2025		2024		2023
Power, light and water	₱	**24,412,747**	₱	24,320,861	₱	28,252,900
Repairs and maintenance		**14,782,350**		7,775,977		3,145,031
Short-term employee benefits (Note 18)		**11,593,608**		10,731,597		8,879,739
Taxes and licenses		**9,786,718**		9,875,449		4,180,484
Contracted services		**9,385,501**		11,611,730		14,164,955
Depreciation (Note 9)		**9,223,950**		8,638,871		7,719,997
Penalties and interest		**4,301,003**		4,099,535		-
Communication		**2,877,510**		918,447		857,038
Consultancy and legal		**2,726,810**		3,169,070		2,691,454
Special events		**2,494,727**		10,862,497		7,550,988
Supplies		**2,392,275**		1,857,127		2,773,777
Transportation and travel		**1,808,327**		5,061,708		5,441,689
Commission		**1,254,333**		1,877,374		2,031,077
Insurance		**655,657**		867,692		867,692
Advertising		**168,041**		184,205		93,859
Retirement employee benefits (Note 18)		**79,535**		60,257		425,313
Others		**5,417,604**		5,087,408		6,919,409
	₱	**103,360,696**	₱	106,999,805	₱	95,995,402

Power, light and water pertain to the utilities used inside the country club to support its operation.

Repairs and maintenance represents cost incurred for the upkeep and restoration of the Company's facilities and equipment to maintain their optimal working condition.

Others include sanitation expenses, service charges, other administrative expenses incurred on various events of the Company, and representations.

18. EMPLOYEE BENEFITS

Aggregate employee benefits expense comprised:

		2025		2024		2023
Short-term employee benefits (Note 18.01)	₱	**11,593,608**	₱	10,731,597	₱	8,879,739
Retirement employee benefits (Note 18.02)		**79,535**		60,257		425,313
	₱	**11,673,143**	₱	10,791,854	₱	9,305,052

18.01 Short-term Employee Benefits

Short-term employee benefits, as disclosed in Note 17, are comprised of:

		2025		2024		2023
Salaries and wages	₱	**7,981,902**	₱	6,606,913	₱	5,950,698
Other short-term benefits		**3,611,706**		4,124,684		2,929,041
	₱	**11,593,608**	₱	10,731,597	₱	8,879,739

Other short-term benefits pertain to SSS, PHIC and HDMF premium contributions, food subsidy and employee discounts.

18.02 Retirement Employee Benefits

The Company has an unfunded and noncontributory defined benefit plan for qualified employees. The Company has a single retirement plan under the regulatory framework of the Philippines. Under R.A. 7641 the Company is legally obliged to provide a minimum retirement pay for qualified employees upon retirement. The framework, however, does not have a minimum funding requirement. The Company's benefit plan is aligned with this framework. Under the plan, the employees are entitled to retirement benefits varying between 22.5 days pay for every year of credited service on attainment of a retirement age of sixty (60) years while early retirement age is fifty (50) and with ten (10) years of credited service. Payments for the unfunded benefits are borne by the Company as it falls due.

The most recent actuarial valuation of the present value of the defined benefit obligation (DBO) was carried out on April 6, 2026 by E.M. Zalamea Actuarial Services, Inc. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the PUCM.

There were no plan amendment, curtailment or settlement recognized for the years ended December 31, 2025 and 2024.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate	**6.32%**	6.09%
Expected rate of salary increase	**2.50%**	2.00%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at the age of 60.

	2025	2024
Retiring beyond twenty (20) years after		
the reporting period	**30**	27
Male	**12**	9
Female	**18**	18

The sensitivity analysis of the defined benefit obligation of changes in the weighted principal assumption is as follows:

	Impact on Defined Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2025			
Discount rate	**+100 bps**	**Decrease by 8.6%**	**Increase by 9.9%**
Salary increase rate	**+100 bps**	**Increase by 10.2%**	**Decrease by 9.0%**
2024			
Discount rate	+100 bps	Decrease by 10.5%	Increase by 12.3%
Salary increase rate	+100 bps	Increase by 12.7%	Decrease by 11.0%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognized in profit or loss in respect of these defined benefit plans are as follows, as disclosed in Note 17:

		2025		2024		2023
Current service cost	**₱**	**61,481**	₱	47,645	₱	209,261
Interest cost on obligation		**18,054**		12,612		216,052
	₱	**79,535**	₱	60,257	₱	425,313

Reconciliation of remeasurements recognized in other comprehensive income is as follows:

		Change on Financial Assumption		**Changes in Demographic Assumptions**		**Experience Adjustments**		**Remeasurement Gain (Loss)**
Gain (Loss) balance at January 1, 2023	**₱**	**617,512**	**₱**	**179,214**	**₱**	**45,750**	**₱**	**842,476**
Amount recognized during the year		(27,144)		77,761		(1,601,465)		**(1,050,848)**
Gain balance at December 31, 2023		**590,368**		**756,975**		**(1,555,715)**		**(208,372)**
Amount recognized during the year		(1,005)		-		(29,109)		**(30,114)**
Gain (Loss) balance at December 31, 2024		**589,363**		**756,975**		**(1,584,824)**		**(238,486)**
Amount recognized during the year		(13,435)		-		(121,321)		**(134,756)**
Gain (Loss) balance at December 31, 2025	**₱**	**575,928**	**₱**	**756,975**	**₱**	**(1,706,145)**	**₱**	**(373,242)**

As of December 31, 2025 and 2024, retirement benefits obligation included in the statements of financial position arising from the entity's obligation in respect of its defined benefit plans amounted to ₱510,737 and ₱296,446, respectively.

Movements in the present value of the defined benefit obligation in both periods were as follows:

		2025		2024
Balance, January 1	₱	**296,446**	₱	206,075
Current service cost		**61,481**		47,645
Interest cost		**18,054**		12,612
Remeasurement loss		**134,756**		30,114
Balance, December 31	₱	**510,737**	₱	296,446

The Company's retirement plan is still unfunded; there are no plan assets to match against retirement benefit obligation.

19. INCOME TAXES

19.01 Income Tax Recognized in Profit or Loss

Components of income tax expense are as follows:

		2025		2024		2023
Current tax expense	₱	**1,747,825**	₱	2,138,219	₱	1,449,295
Deferred tax expense (benefit) (Note 20)		**(7,177)**		6,437		324
	₱	**1,740,648**	₱	2,144,656	₱	1,449,619

A numerical reconciliation between tax expense and the product of accounting loss multiplied by the tax rate in 2025, 2024 and 2023 of 25%, are as follows:

		2025		2024		2023
Accounting loss	₱	**(19,569,287)**	₱	(1,962,940)	₱	(1,532,688)
Tax benefits at 25%		**(4,892,322)**		(490,735)		(383,172)
Tax effects of:						
Unrecognized deferred tax assets on:						
NOLCO		**3,997,200**		(539,175)		-
Excess MCIT		**1,747,825**		2,138,219		2,794,811
Retirement benefits		**19,884**		15,064		106,328
Non-taxable income						
Finance income subjected to final tax		**(4,892)**		(4,802)		(3,631)
Non-deductible expenses				1,024,884		-
Penalties		**872,945**				-
Finance cost		**-**		1,201		908
Retirement benefits paid		**-**		-		(1,065,625)
Miscellaneous expense		**8**		-		-
	₱	**1,740,648**	₱	2,144,656	₱	1,449,619

Details of NOLCO from 2022, 2023 and 2025 are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2022	₱	694,005	₱	-	₱	-	₱	694,005	₱	-	2025
2023		5,382,066		-		-		-		5,382,066	2026
2025		15,988,801		-		-		-		15,988,801	2028
	₱	**22,064,872**	**₱**	**-**	**₱**	**-**	**₱**	**694,005**	**₱**	**21,370,867**	

Details of NOLCO covered by Revenue Regulations No. 25-2020 are as follows:

Year Incurred		Amount		Applied Previous Year		Applied Current Year		Expired		Unapplied	Expiry Date
2020	₱	18,274,321	₱	2,156,697	₱	-	₱	16,117,624	₱	-	2025
2021		8,365,274		-		-		-		8,365,274	2026
	₱	**26,639,595**	**₱**	**2,156,697**	**₱**	**-**	**₱**	**16,117,624**	**₱**	**8,365,274**	

The Bureau of Internal Revenue (BIR) has issued Revenue Regulations (RR) 25-2020 to inform all concerned on the longer period for claiming NOLCO from taxable years 2020 and 2021.

Pursuant to Section 4 (bbb) of Bayanihan II and as implemented under RR 25-2020, the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years following the year of such loss. Ordinarily, NOLCO can be carried over as deduction from gross income for the next three (3) consecutive years only.

Details of the Company's excess MCIT which can be claimed as tax credits against regular income tax are as follows:

Year Incurred		Amount		Expired		Unapplied	Expiry Date
2022	₱	699,115	₱	699,115	₱	-	2025
2023		1,449,295		-		1,449,295	2026
2024		2,138,219		-		2,138,219	2027
2025		1,747,825		-		1,747,825	2028
	₱	**6,034,454**	**₱**	**699,115**	**₱**	**5,335,339**	

20. DEFERRED TAXES

20.01 Deferred Tax Assets

The components of the Company's unrecognized deferred tax assets and their respective movements are as follows:

		Retirement Benefit Obligation		NOLCO		Allowance for Expected Credit Losses		Excess MCIT		Total
Balance at January 1, 2024	₱	51,519	₱	8,178,917	₱	4,002,809	₱	2,626,458	₱	14,859,703
Unrecognized in profit or loss		15,064		(539,175)		-		1,660,171		**1,136,060**
Unrecognized in other comprehensive income		7,529		-		-		-		**7,529**
Balance at December 31, 2024		**74,112**		**7,639,742**		**4,002,809**		**4,286,629**		**16,003,292**
Unrecognized in profit or loss		19,884		(205,707)		-		1,048,710		**862,887**
Unrecognized in other comprehensive income		33,689		-		-		-		**33,689**
Balance at December 31, 2025	**₱**	**127,685**	**₱**	**7,434,035**	**₱**	**4,002,809**	**₱**	**5,335,339**	**₱**	**16,899,868**

20.02 Deferred Tax Liability

The components and respective movements of the Company's deferred tax liability arising from unrealized foreign exchange gain are as follows:

		2025		2024
Balance, January 1	₱	**8,632**	₱	2,195
Recognize in profit or loss		**(7,177)**		6,437
Balance, December 31	**₱**	**1,455**	₱	8,632

21. COMMITMENTS

The Company's Board of Directors resolved and ratified on June 27, 2002 the assignment of ARDC playing rights to the Company subject to the following terms and conditions:

a) The Company shall have the exclusive authority to lease or otherwise utilize the playing rights corresponding to the shares;

b) All proceeds and benefits derived from the use of the playing rights shall pertain to the Company;

c) Ownership of the shares shall always remain with ARDC but the Company shall have full discretion to manage, lease or otherwise utilize the playing rights; and

d) The assignment of the playing rights shall be effective for twenty five (25) years, from January 1, 2000 to December 31, 2025.

The proceeds and benefits derived from the use of playing rights of ARDC amounted to ₱15,071,036, ₱12,951,152 and ₱5,173,875 in 2025, 2024 and 2023, respectively, as disclosed in Note 14.

22. SIGNIFICANT CONTRACT AGREEMENTS

22.01 Golf Service Management, General Service Agreement and Supplementary Agreement

22.01.01 MJCARR Golf Management, Inc. (MGMI)

The Company entered into a Golf Management and General Services Agreement with MGMI on January 17, 2008. The latter will be rendering maintenance services for the golf course area and all other areas necessary under ordinary/normal conditions for its efficient operations. The contract was renewed on August 31, 2017 and subject to extension of another two (2) years upon approval of both parties. In 2020, both parties agreed that the contract shall be extended for a period of three (3) years from October 1, 2020 and shall end on September 30, 2024 renewable for another two (2) years upon mutual agreement of the parties in writing. In 2024, both parties agreed that the contract shall be extended from October 1, 2024 to September 30, 2026, renewable for another two (2) years upon mutual agreement of the parties in writing.

In 2025, 2024 and 2023, direct cost recognized from this agreement amounted to ₱29,970,000, ₱28,928,571 and ₱27,946,429, respectively, as disclosed in Note 15.

22.01.02 Dynamic Sports Corporation (DSC)

The Company entered into a memorandum of agreement with DSC on April 30, 2019 for a period of at least six (6) years contract renewable upon agreement of both parties. DSC is the appointed distributor of Titleist, FootJoy, Loudmouth and SKLZ products in the Philippines. Whereas DSC shall remit to the Company the monthly performance percentage, the computation shall be as follows:

a. From year one (1) to year three (3) – eight percent (8%) of the net invoice sales per month

b. From year four (4) to year six (6) – ten percent (10%) of the net invoice sales per month

c. DSC shall deduct ten percent (10%) withholding tax from the computed performance percentage of Lessor as required by law.

d. DSC shall remit the monthly performance percentage to the Company on or before the 15th of each succeeding month.

e. Both parties may conduct Ad Hoc Promotional activities to boost the sales of the Empire Golf & Sports Shop. On such activities, however, DSC shall only remit a five percent (5%) performance percentage to the Company based on net invoice sales.

f. A notice relative to promotional campaign will be issued to the Company at least one (1) week prior to the commencement of the activity.

In 2025, 2024 and 2023, revenue recognized from this agreement amounted to ₱820,876, ₱665,256 and ₱504,290, respectively, as disclosed in Note 14.

<u>22.01.03 Culinary Adventures Inc.</u>

The Company entered into an agreement with Culinary Adventures Inc. that caters to hotels, restaurants and golf and country clubs, to supply and operate the food and beverages (F&B) in the sand trap, eagle lounge, green rooms, half-way houses, driving range food outlet and tee houses located within the Company (herein collectively referred to as "Club Facilities"). This agreement is valid for three (3) years from October 1, 2019 until November 30, 2021 unless renewed or extended in writing within sixty (60) days prior to expiration. In 2021, the Company renewed its agreement for another three (3) years. In 2025, upon expiration, the Company agreed to extend the agreement under the same terms and conditions for a period of one month while the actual and final renewal is still under review.

In 2025, the Company formally informed after a careful review and discussion with the Board of Directors, that the service agreement between the Club and Culinary Adventures Inc. (CAI) to supply and operate the Food & Beverage in Sand Trap, Eagle Lounge, Green Room, KatsuKimchi, and Tee Houses located within MALARAYAT Golf and Country Club will have an extendable years of three (3) which will commence from December 1, 2024 to November 30, 2027. This will supersede the initial Board resolution No. 04-0-2023 last August 25, 2023, extending the contract to 10 years from November 30, 2024 expiration.

The Company shall collect ten percent (10%) on all F&B revenues (excluding service charge and discounts) generated from the operation of Sand Trap, Half Way House (Japanese-Korean Restaurant), Tea Houses, and food and beverages from all banquet events.

In 2025, 2024 and 2023, revenue recognized from this agreement amounted to ₱104,132,880, ₱93,941,121 and ₱74,559,323, respectively, as disclosed in Note 14. The Company incurred cost of sales in 2025, 2024 and 2023 amounting to ₱89,209,329, ₱76,906,875 and ₱67,455,999, respectively, as disclosed in Note 15.

<u>22.01.04 ATF Property Management Inc. (APMI)</u>

The Company entered into a memorandum of agreement with APMI on January 1, 2020, whereas the Company appointed the latter to operate and maintain the club hotel, country club and golf club facilities for the period of three (3) years starting on January 1, 2020 until December 31, 2022. On January 1, 2023, both parties decided to revise the contract and will be effective until December 31, 2023. On January 1, 2024, both parties revised the contract, the following terms will be effective until December 31, 2033.

Integral to the delivery of services by APMI, the Company shall:

a. Pay the latter a monthly service fee of ₱2,200,000 inclusive of government taxes covering services, manpower, and supplies in two (2) equal payments dated every 15th and 30th of the month;

b. Collect golf cart rental revenues and promptly remit to APMI;

c. Maintain and operate club hotel facilities, golf club facilities, country club facilities, sports facilities, all parking areas, roof cleaning and activity center;

d. Ensure complete supply of consumables at all public areas;

e. Ensure availability of necessary equipment for janitorial and maintenance services;

f. To provide a complete engineering team that will monitor and perform duties such as performing minor repair and maintenance duties in line with the Company's day-to-day operations and performing preventive maintenance on the Company's equipment;

g. To provide a complete sales and marketing team that will monitor and perform duties such as performing sales call and marketing activities and to get event bookings.

Concessionary fees incurred amounted to ₱26,397,321, ₱23,571,429 and ₱19,392,907, in 2025, 2024 and 2023, respectively, as disclosed in Note 12.01.01.

23. LOSS PER SHARE

The Company's basic loss per share is (₱5,327), (₱1,027) and (₱746) as of December 31, 2025, 2024 and 2023, respectively.

Loss and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2025	2024	2023
Loss used in the calculation of total basic loss per share	**₱ (21,309,935)**	₱ (4,107,596)	₱ (2,982,307)
Weighted average number of ordinary shares for the purpose of basic loss per share	**4,000**	4,000	4,000

Diluted earnings per share equal the basic earnings per share since the Company does not have dilutive shares as of December 31, 2025, 2024 and 2023.

24. FAIR VALUE MEASUREMENTS

The carrying amounts and estimated fair values of the Company's financial assets and financial liabilities as of December 31, 2025 and 2024 are presented below:

	2025		2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets:				
Cash	**₱ 20,824,026**	**₱ 20,824,026**	₱ 29,333,894	₱ 29,333,894
Trade and other receivables – net	**30,811,335**	**30,811,335**	23,423,136	23,423,136
	₱ 51,635,361	**₱ 51,635,361**	₱ 52,757,030	₱ 52,757,030
Financial Liabilities:				
Trade and other payables	**₱ 70,183,299**	**₱ 70,183,299**	₱ 72,003,239	₱ 72,003,239
Loans payable	**25,058,495**	**25,058,495**	29,103,030	29,103,030
	₱ 95,241,794	**₱ 95,241,794**	₱ 101,106,269	₱ 101,106,269

Due to demand feature of cash and short-term maturities of trade and other receivables (except advances to officers and employees), trade and other payables (except trust fund for sports and games ties, unearned revenue, and payable to regulatory agencies) and due to related parties, Management believes that the fair values approximate the carrying amounts as of December 31, 2025 and 2024.

Loans payable is interest bearing. The interest rates approximate the market interest rates; hence, Management believes that the amortized cost approximates the fair value.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's Management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk, interest rate risk, credit risk and liquidity risk.

Management established policies to manage the risks associated with financial instruments. Its overall risk management program is focused on the unpredictability of developments on the financial markets and seeks to minimize potential adverse effects on its financial position.

Management is in close cooperation with the Board of Directors and focuses on actively securing the Company's short-to-medium term cash flows by minimizing the exposure to financial markets.

25.01 Market Risk Management

25.01.01 Interest Rate Risk Management

The Company's exposure to interest rate risk arises from loans payable which are subject to a fixed interest rate and from its cash in bank which is subject to variable interest rates. The interest rate risk arising from loans and cash in banks is managed by means of effective investment planning and analysis and maximizing investment opportunities in various local banks and financial institutions.

The Company's losses for the years ended December 31, 2025, 2024 and 2023 would have been unaffected since the Company has no borrowings at variable rates and interest rate risk exposure for its cash in bank, which is subject to variable rate, is immaterial.

25.02 Credit Risk Management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risks from cash in banks and trade and other receivables (except advances to officers and employees).

The Company considers the following policies to manage its credit risk:

- Cash in Banks

  The Company transacts only to banks with investment grade credit rating. This information is supplied by independent rating agencies. The Company uses other publicly available information such as annual report to monitor the financial status of the banks. The Company assesses the current and forecast information of the banking industry and the macro-economic factors such as GDP, interest, and inflation rates to determine the possible impact to banks.

- Trade and Other Receivables

  The Company bills all members monthly. If any bill remains unpaid by the end of the month following that in which the bill was incurred, the Company shall notify the member that if his/her bill is not paid by the end of the succeeding month his/her name will be posted as delinquent the following day at the Clubhouse Bulletin Board. Delinquent accounts shall be charged by carrying fees, interests and surcharges. Members on the delinquent list for more than ninety (90) days and who have an outstanding balance of ₱100,000 or more, shall be reported to the Board and their shares or the shares of the juridical entities they represent shall thereafter be ordered and sold by the Board at an auction to satisfy the claims of the Company. The Company did not hold auction proceedings during the year. A member may pay his/her overdue account at any time before the auction sale.

The carrying amounts of financial assets measured at amortized costs are as follows:

		2025		2024
Cash in banks	₱	**20,679,026**	₱	29,228,894
Trade and other receivables – net		**30,811,335**		23,423,136
	₱	**51,490,361**	₱	52,652,030

The calculation of allowance for expected credit losses is based on the following three (3) components:

- Probability of Default (PD)

  PD is the likelihood over a specified period, usually one year, that a client will not be able to make scheduled repayments. PD depends not only on the client's characteristics, but also on the economic environment. PD is estimated using historical data.

➢ Loss Given Default (LGD)

LGD is the amount of money a company loses when a client defaults on a contract. The most frequently used method to calculate this loss is by comparing the actual total losses and the total amount of potential exposure sustained at the time that a contract goes into default.

➢ Exposure at Default (EAD)

EAD is the total value a company is exposed to when a loan defaults. It refers to the gross carrying amount of financial assets.

Below is the summary of computation of allowance for expected credit losses in 2025:

	PD rate	**LGD rate**		**EAD**		**ECL**
	a	***b***		***c***		***d=a*b*c***
Cash in banks	**0.00%**	**0.00% to 82.65%**	**₱**	**20,679,026**	**₱**	**-**
Trade and other receivables – net	**0.00% to 45.95%**	**100.00%**		**46,822,571**		**16,011,236**
			₱	**67,501,597**	**₱**	**16,011,236**

Below is the summary of computation of allowance for expected credit losses in 2024:

	PD rate	LGD rate		EAD		ECL
	a	*b*		*c*		*d=a*b*c*
Cash in banks	0.00%	0.00% to 96.47%	₱	29,228,894	₱	-
Trade and other receivables – net	0.00% to 45.95%	100.00%		39,434,372		16,011,236
			₱	68,663,266	₱	16,011,236

Cash in Banks

The Company determined the probability of default rate by considering the following: the credit ratings; the past, current, and forecast performance of Banking Industry; the past, current, and forecast macro-economic factors that may affect the banks; and the current and projected financial information. The Company estimated the probability of default to be nil in both years.

Loss given default rate is calculated by taking into consideration the amount of insured deposit and estimated it to be 0.00% to 82.65% and 0.00% to 96.47% in 2025 and 2024, respectively.

Exposure at default is equal to the gross carrying amount of cash in banks.

Trade and Other Receivables

The Company determined the probability of default rate by considering the following: the schedules of collections for the past three years; the past, current, and forecast performance of each customer's industry; and the past, current, and forecast macro-economic factors that may affect the Company's clients. In 2025 and 2024, the corresponding probability of default is estimated to be about 0.00% to 45.95%, given the historical experience of the Company in handling these customers' accounts, this is adjusted to current and forecast information.

The loss given default rate is 100.00% for all clients because the Company does not obtain collateral for these transactions in both years.

Exposure at default is equal to the gross carrying amount of trade and other receivables.

The Company did not recognize additional provision for expected credit losses since the Management believed that amount is sufficient in 2025 and 2024. Allowance for expected credit losses as of December 31, 2025 and 2024 amounted to ₱16,011,236, as disclosed in Note 7.

25.03 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted Average Effective Interest Rate	On Demand	Within One (1) Year	One (1) to Five (5) Years	Total
December 31, 2025					
Trade and other payables		**₱ -**	**₱ 70,183,299**	**₱ -**	**₱ 70,183,299**
Loans payable	**10.00%**	**-**	**14,409,606**	**10,648,889**	**25,058,495**
		₱ -	**₱ 84,592,905**	**₱ 10,648,889**	**₱ 95,241,794**
December 31, 2024					
Trade and other payables	-	₱ -	₱ 72,003,239	₱ -	₱ 72,003,239
Loans payable	10.00%	-	18,454,141	10,648,889	29,103,030
		₱ -	₱ 90,457,380	₱ 10,648,889	₱ 101,106,269

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted Average Effective Interest Rate		On Demand		Within One (1) Year		Total
December 31, 2025							
Cash on hand	-	₱	**145,000**	₱	-	₱	**145,000**
Cash in banks	**Floating rate**		**20,679,026**		-		**20,679,026**
Trade and other receivables – net	-		-		**30,811,335**		**30,811,335**
		₱	**20,824,026**	₱	**30,811,335**	₱	**51,635,361**
December 31, 2024							
Cash on hand	-	₱	105,000	₱	-	₱	105,000
Cash in banks	Floating rate		29,228,894		-		29,228,894
Trade and other receivables – net	-		-		23,423,136		23,423,136
		₱	29,333,894	₱	23,423,136	₱	52,757,030

26. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The unfavorable results in the Company's operations in previous years made the Management entered into agreements with outside parties to administer, to operate and maintain the golf and sports club, restaurant and hotel operations. The Company aims to earn revenue and minimize costs by entering to these agreements to administer the operations that can help out to satisfy debts and increase working capital requirements. The Company's strategy remained unchanged from 2024.

The capital structure of the Company consists of net debt (comprising of total liabilities offset by only cash in bank balances as disclosed in Notes 6, 10, 11, 12, 18 and 20) and equity of the Company (comprising issued capital stock, deficit and remeasurements as disclosed in Notes 13 and 18).

The Company reviews its capital structure on an annual basis. As part of this review, the Company considers the cost of capital, and the risks associated with each class of capital. The Company has a target gearing ratio of 3:1 determined as the proportion of net debt to equity.

The gearing ratio at end of the reporting period was as follows:

		2025		2024
Debt	₱	**109,923,084**	₱	111,472,814
Cash		**20,824,026**		29,333,894
Net debt		**89,099,058**		82,138,920
Equity		**1,037,120,844**		1,058,565,535
Net debt to equity ratio		**0.09:1**		0.08:1

27. NON-CASH TRANSACTIONS

In 2024, the Company engaged in a non-cash financing transaction that is not reflected in the statements of cash flows. In 2024, ARDC acquired auctioned shares through a bidding process. The settlement for these shares was executed via an offset arrangement, wherein the purchase price was applied against the Company's outstanding payable to ARDC amounted to nil and ₱6,158,192 in 2025 and 2024, respectively, as disclosed in Note 12.

28. RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Reconciliation of liabilities arising from financing is as follows:

		2025		2024
Balance, January 1	₱	**29,103,030**	₱	21,983,549
Changes from financing cash flows:				
Proceeds from loan		**20,000,000**		29,200,000
Finance cost incurred		**3,590,676**		1,919,041
Finance cost paid		**(3,590,676)**		(4,303,994)
Offsetting of payment against advances to related parties		**-**		(6,158,192)
Repayments of loans payable		**(24,044,535)**		(13,537,374)
Balance, December 31	₱	**25,058,495**	₱	29,103,030

29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Board of Directors on May 6, 2026.

30. SUPPLEMENTARY INFORMATION UNDER REVENUE REGULATIONS

30.01 Revenue Regulations No. 15-2010

The Bureau of Internal Revenue (BIR) released a revenue regulation dated November 25, 2010 amending Revenue Regulations No. 21-2002 setting forth additional disclosures on Notes to Financial Statements. The following are the disclosures required by the said Regulation:

30.01.01 Taxes and Licenses Paid or Accrued

The details of the Company's taxes and licenses fees paid or accrued in 2025 are as follows:

30.01.01.01 Output VAT

The Company is VAT-registered with an output VAT declaration of ₱29,503,448 for the year based on its collections derived from sports club revenue, food and beverage, hotel operations, and others.

The Company has zero-rated/exempt sales amounting to ₱60,556,350 pursuant to the provisions of (1) Supreme Court (SC) decision (per G.R. 228539) for the VAT-exemption of all membership dues collections by non-profit recreational clubs; (2) Expanded Seniors Citizen's Act of 2020 and other provisions applicable thereof.

30.01.01.02 Input VAT

An analysis of Company's input VAT claimed during the year is as follows:

Balance, January 1		₱	10,497,223
Current year's domestic purchases/payments for:			
Domestic purchased of services	22,995,355		
Domestic purchase of good other than capital goods	2,976,892		
Services lodged in other accounts	243,745		26,215,992
Total available input VAT			**36,713,215**
Applied against output VAT			(26,215,992)
Other adjustments			(10,497,223)
Balance, December 31		**₱**	**-**

30.01.01.03 Other Taxes and Licenses

An analysis of the Company's other taxes and licenses are as follows:

Real property taxes	₱	9,065,836
Permit fees		570,882
Documentary stamp taxes		150,000
	₱	**9,786,718**

30.01.01.04 Withholding Taxes

An analysis of the Company's withholding taxes paid or accrued during the year is as follows:

Expanded withholding taxes	₱	4,683,514
Withholding tax on compensation and benefits		217,956
	₱	**4,901,470**

Expanded withholding taxes normally arise from the Company's purchase of security services, contractors and professional fees.

30.01.01.05 Deficiency Tax Assessments and Tax Cases

On February 12, 2024, the Company received a Letter of Authority for all internal revenue taxes including documentary stamp tax and other taxes for the taxable year covering January 1, 2022 to December 31, 2022.

In 2025, the Company paid a total of ₱4,301,003 for all the deficiencies found by the revenue officer; thus, the Letter of Authority for the taxable year 2022 is now closed.

30.02 Revenue Regulations No. 19-2011

Pursuant to Section 244 in relation to Section 6(H) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are prescribed to revise BIR Form No. 1702 setting forth the following schedules. Below are the disclosures required by the said Regulation:

30.02.01 Revenues

An analysis of the Company's revenues for the taxable year is as follows:

Food and beverages	₱	104,132,880
Sports club		93,747,458
Membership dues		77,585,066
Hotel operations		11,203,697
Others		20,807,738
	₱	**307,476,839**

30.02.02 Direct Cost

The following is an analysis of the Company's cost of services for the taxable year:

Food and beverages	₱	93,988,965
Sports club		74,867,107
Depreciation		27,671,851
Hotel operations		23,592,219
	₱	**220,120,142**

30.02.03 Other Income

The Company's other income for the taxable year pertains to the foreign exchange gain amounting to ₱34,529.

30.02.04 Itemized Deductions

The following is an analysis of the Company's itemized deductions for the taxable year:

Power, light and water	₱	24,412,747
Repairs and maintenance		14,782,350
Short-term benefits		11,593,608
Taxes and licenses		9,786,718
Contracted services		9,385,501
Depreciation		9,223,950
Finance cost		3,590,676
Communication		2,877,510
Consultancy and legal		2,726,810
Special events		2,494,727
Supplies		2,392,275
Transportation and travel		1,808,327
Commission		1,254,333
Penalties, interest, and bank charges		809,225
Insurance		655,657
Advertising		168,041
Others		5,417,572
	₱	**103,380,027**

30.03 Revenue Regulations No. 34-2020

Revenue Regulations (RR) No. 34-2020 prescribes the guidelines and procedures for the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents, amending for this purpose pertinent provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010.

The Company is covered by the requirements and procedures for related transactions provided in RR No. 34-2020.

PKF
R.S. Bernaldo & Associates

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INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

We have audited the financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** as of December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 on which we have rendered the attached report dated May 6, 2026.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013-AF
Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
BSP Group B Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Group A Accreditation No. IC-EA-2025-0061-R
Valid until 2027 audit period
PTR No. 10780861
Issued on January 20, 2026 at Makati City

May 6, 2026

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REPORT ON THE SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
(A Non-Stock, Not-for-Profit Corporation)
Barangay Dagatan, Lipa City, Batangas

We have issued our report dated May 6, 2026 on the basic financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** as of and for the period December 31, 2025. Our audit was conducted for the purpose of forming an opinion on the basic financial statements of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** taken as a whole. The information in the index to the financial statements and supplementary schedules as of and for the year ended December 31, 2025, which is not a required part of the financial statements, is required to be filed with the Securities and Exchange Commission. Such information is the responsibility of the Management of **MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.** The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.S. BERNALDO & ASSOCIATES
BOA/PRC No. 0300
Valid until November 19, 2026
SEC Group A Accreditation No. 0300-SEC
Valid until 2024 audit period (extended until 2025 audit period)
BSP Group B Accreditation No. 0300-BSP
Valid until 2026 audit period
BIR Accreditation No. 08-007679-000-2026
Valid from February 2, 2026 until February 1, 2029
IC Group A Accreditation No. 0300-IC
Valid until 2026 audit period
CDA CEA No. 013-AF
Valid from August 28, 2025 to August 27, 2030

MARVIN G. GARCIA
Partner
CPA Certificate No. 102934
BOA/PRC No. 0300/P-003
Valid until November 19, 2026
SEC Group A Accreditation No. 102934-SEC
Valid until 2025 audit period
BSP Group B Accreditation No. 102934-BSP
Valid until 2025 audit period
BIR Accreditation No. 08-007679-008-2025
Valid from March 20, 2025 until March 19, 2028
Tax Identification No. 214-290-691
IC Group A Accreditation No. IC-EA-2025-0061-R
Valid until 2027 audit period
PTR No. 10780861
Issued on January 20, 2026 at Makati City

May 6, 2026

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE A - SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name of issuing entity and association of each issue *(i)*	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Statement of Financial Position *(ii)*	Value based on market quotations at end of reporting period *(iii)*	Income received or accrued
None to Report				

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.

SCHEDULE B - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name and Designation of Debtor *(i)*		Balance at beginning of period		Additions		Amounts Collected *(ii)*		Amounts Written-off *(iii)*		Current	Non-Current	Balance at end of period
None to Report												

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE C - SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected *(i)*	Amounts written off *(ii)*	Current	Non-Current	Balance at the end of the period
None to Report							

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE D - SUPPLEMENTARY SCHEDULE OF INTANGIBLE ASSETS - OTHER ASSETS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Description	Beginning Balance	Additions at Cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending Balance
None to Report						

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE E - SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
AS OF DECEMBER 31, 2025

Title of issue and type of obligation *(i)*	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related Statement of Financial Position *(ii)*	Amount shown under caption "Long-Term Debt" in related Statement of Financial Position *(iii)*
Loans payable	N/A	14,409,606.00	10,648,889.00

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE F - SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES
LONG-TERM LOANS FROM RELATED COMPANIES
AS OF DECEMBER 31, 2025

Name of Related Parties *(i)*	Balance at beginning of period	Balance at end of period *(ii)*
Active Realty and Development Corp.	-	-

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE G - SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
AS OF DECEMBER 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding *(i)*	Amount owned by person of which statement is filed	Nature of guarantee *(ii)*

None to Report

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE H - SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

Title of Issue *(i)*	Number of shares authorized	Number of shares issued and outstanding as shown under the related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties *(ii)*	Directors, officers and employees	Others *(iii)*
Gold	2,000	2,000	N/A	1,214	786	N/A
Silver	2,000	2,000	N/A	1,944	56	N/A
	4,000	4,000	N/A	3,158	842	N/A

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024	2023
A.	**SHORT-TERM LIQUIDITY RATIO**			
	CURRENT RATIO	0.64	0.64	0.54
	Current Assets	63,310,897	64,221,799	45,432,113
	Current Liabilities	98,762,003	100,518,847	84,765,045
	WORKING CAPITAL TO ASSETS	(0.03)	(0.03)	(0.03)
	(Current Assets - Current Liabilities)	(35,451,106)	(36,297,048)	(39,332,932)
	Total Assets	1,170,038,349	1,170,038,349	1,152,968,815
B.	**LONG-TERM SOLVENCY**			
	ASSET TO EQUITY	1.11	1.11	1.08
	Total Assets	1,147,043,928	1,170,038,349	1,152,968,815
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	DEBT TO EQUITY	0.11	0.11	0.08
	Total Liabilities	111,472,814	111,472,814	90,265,570
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	LONG-TERM DEBT TO EQUITY	0.011	0.010	0.005
	Long-Term Debt	11,161,081	10,953,967	5,500,525
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	FIXED ASSETS TO EQUITY	1.04	1.04	1.04
	(Fixed Assets - Accumulated Depreciation)	1,083,733,031	1,105,816,550	1,107,536,702
	Shareholders' Equity	1,037,120,844	1,058,565,535	1,062,703,245
	CREDITORS EQUITY TO TOTAL ASSETS	0.10	0.10	0.08
	Total Liabilities	109,923,084	111,472,814	90,265,570
	Total Assets	1,147,043,928	1,170,038,349	1,152,968,815
	FIXED ASSETS TO LONG-TERM DEBT	97.10	100.95	201.35
	(Fixed Assets - Accumulated Depreciation)	1,083,733,031	1,105,816,550	1,107,536,702
	Long-Term Debt	11,161,081	10,953,967	5,500,525

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE I - FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024	2023
C.	**RETURN ON INVESTMENTS**			
	RATE OF RETURN ON TOTAL ASSETS	(0.02)	(0.00)	(0.00)
	Net Loss	(21,309,935)	(4,107,596)	(2,982,307)
	Average Total Assets	1,158,541,139	1,161,503,582	1,151,196,944
	RATE OF RETURN ON EQUITY	(0.02)	(0.00)	(0.00)
	Net Loss	(21,309,935)	(4,107,596)	(2,982,307)
	Average Stockholders' Equity	1,047,843,190	1,060,634,390	1,064,719,823
D.	**PROFITABILITY RATIOS**			
	GROSS PROFIT RATIO	0.34	0.34	0.37
	Gross Income	106,902,168	106,902,168	96,612,189
	Revenues	311,878,121	311,878,121	259,324,818
	OPERATING INCOME TO REVENUES	0.28	0.34	0.37
	Income from Operations	87,382,085	106,955,906	96,635,492
	Revenues	307,476,839	311,878,121	259,324,818
	PRETAX INCOME TO REVENUES	(0.06)	(0.01)	(0.01)
	Pretax Loss	(19,569,287)	(1,962,940)	(1,532,688)
	Revenues	307,476,839	311,878,121	259,324,818
	NET INCOME TO REVENUE	(0.07)	(0.01)	(0.01)
	Net Loss	(21,309,935)	(4,107,596)	(2,982,307)
	Revenues	307,476,839	311,878,121	259,324,818
E.	**INTEREST COVERAGE RATIO**			
	INTEREST COVERAGE RATIO	(4.450)	(0.023)	0.295
	Earnings Before Interest and Tax	(15,978,611)	(43,899)	640,090
	Interest Expense	3,590,676	1,919,041	2,172,778

MOUNT MALARAYAT GOLF & COUNTRY CLUB, INC.
SCHEDULE II - EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2024

	2025	2024
Total Audit Fees *(Section 2.1 a)*	**295,000.00**	270,000.00
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees *(Section 2.1 b)*	-	-
TOTAL AUDIT AND NON-AUDIT FEES	**295,000.00**	270,000.00

Audit and Non-audit fees of other related entities *(Section 2.1c)*

	2025	2024
Audit fees	**700,000.00**	690,000.00
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
TOTAL AUDIT AND NON-AUDIT FEES OF OTHER RELATED ENTITIES	**700,000.00**	690,000.00